A new leaf, A new commitment
A symbol of hope and promise
for all the tomorrows.

Logo designed and created by Imran Mir
A stunning coastline. Towering forests.

All these areas of Pakistan are custodians
of 600 TCF School Units, 4,150 teachers,
and at last count, 80,000 students.

As we think bigger we are thinking sustainability.
As we think of initiatives, our strategies are more
varied. Yet we always keep our values and heritage
at the centre of our educational work.

Our Vision, Mission and Values form the core
of our promises. These are not mere statements -
TCF Team and supporters let their actions prove
the way they are trying to fulfill these promises that
have been made to students, their parents and their
communities.

We share with you our promises kept and some
cherished memories. The stories you will read speak
of a growing allegiance to TCF Education Program
and hence to the many promises we strive to keep...
True to its vision, The Citizens Foundation (TCF) is reaching out and striving to remove social barriers or financial inequalities - TCF firmly believes that young educated adults should never lag behind in life due to any barriers of class and privilege.

Realizing the strong need for making further academic opportunities available to our students after graduating from TCF Schools, a special Placement Desk was created to provide TCF Graduates those critical, meaningful, and relevant tools to successfully carve a niche for themselves.

Launched three years back, TCF Placement Desk to-date has facilitated 800 TCF Graduates in their transition from school life into the real world out there to realize their goals and live their dreams like Anum Fatima - first TCF Graduate in a leading business school.

It is Anum’s dream to attain an MBA Degree, join a leading bank’s team and become a part of the dynamic young force driven to alter the country’s destiny. Currently this is Anum’s first year at College of Business Management (CBM). She has scored a 3.1 GPA in just her first term. Anum is the first Matriculate and graduate of her family. Her father’s salary from his job as one of the senior drivers at a motor company hardly makes ends meet. Anum’s aspirations and dreams have become his own.
From counseling, financial assistance, personal grooming to helping brilliant graduates like Anum enroll in preparatory classes for aptitude tests, TCF has strived to remain focused on its priorities. It is a priority for TCF to provide guidance for its graduates and serve as a liaison to create opportunities where needed, so that young achievers like Anum can take on the world with all the zest and spirit.
Keti Bandar (Sindh), a former port on the Arabian Sea, was once one of the richest ports in the region. Among various other factors, it was coastal erosion that played havoc with the area. These days if you drive up to Keti Bandar, all that remains are some forlorn crumbling huts that are either abandoned or inhabited by out-of-work and/or lowly-paid fishermen. Various small villages like Gariho, Baghan, Jangesar, Haji Noor Kannat etc. that make up the surrounding area face dire challenges for survival – clean drinking water being their most crucial need. There is little to no vegetation due to saline land.

Noor Grain Parthama is a tiny mountainous village of Kashmir 5,000ft above sea level. Once up there, if you peek down below you catch a bird’s eye view of the sparkling river Jehlum. Parthama and nearby villages were severely affected due to the disastrous 2005 earthquake that crippled life all over Kashmir.

Parthama and Keti Bandar are among thousands of far flung communities cut off from the hustling bustling developed cities and the modern day facilities that urbanites take for granted. It is for these communities that TCF has mobilized its team to cater to the educational needs of the locals. TCF has made its mission to bring about an enduring positive change for such communities with greatest need through the power of quality education, enabling moral, spiritual and intellectual enlightenment and creating opportunities to improve the quality of life.

TCF Primary School – BHP Campus in Parthama successfully became operational in 2007. Currently there are 43 girls and 45 boys enrolled here upto grade IV.
TCF Primary Schools are also running smoothly in Keti Bandar and various different villages nearby. TCF Campuses established in such rural areas are flourishing exceedingly well because for folks hailing from these less privileged communities, these schools are a beacon of hope and a safe haven for their young ones. TCF Faculty also conducts community visits and bonds with the women folk.

A deep-rooted culture of passion and empathy drives TCF as many more communities welcome the movement for an enduring meaningful change.
Amnesty International Report 2009 states that approximately 51% Pakistani adult populace is illiterate. The Global Monitoring Report 2008 issued by UNESCO places Pakistan at number 120 out of 129 countries - at the lowest rung of the international literacy ladder.

Yet at the national level, there are beams of hope where private sector, NGOs and other philanthropic groups have gradually developed a strong foothold in the country and their continuous struggle to battle illiteracy is shaping up into a vital movement. TCF is among these silent warriors combating ignorance.

TCF has prioritized to work for poverty alleviation in communities where TCF has presence by focusing on Vocational Training and Adult Literacy. Partnered with a sponsor and long time TCF Supporter, National Foods Ltd. (NFL), TCF is keenly pursuing an Adult Literacy Program ‘Jugnoo’ which is well into its fifth year. ‘Jugnoo’ is aimed at enabling female adults to read and write in Urdu and teach them day to day simple mathematical calculations. A local organization New Century Education (NCE) has especially designed text books for this course.

The most recent phase started on January 1, 2009 in Karachi. During this phase 57 TCF Primary and Secondary Schools have hosted Jugnoo Program in Karachi, outskirts of Karachi like Hawks Bay and other areas including Hub, Gadani, Dowk Chowdrian, Bahawalpur and Gawadar. 1,406 enthusiastic mothers and other female relatives of TCF Students and female folk from the neighborhood have participated. The program concluded in July and a formal ceremony was held to honor those agents of positive change who have been involved in spreading the light of literacy through Jugnoo.
Apart from Adult Literacy, TCF also encourages Vocational Training. An exemplary case in point is the vocational training center for women that TCF has rebuilt for local ladies in Mungumar Khan, Muzaffarabad in Azad Jammu and Kashmir. Earlier this year, the earthquake-resistant building painted in soft hues has been handed over by TCF to these skilled women for whom this center is like second home! More than 30 women from this small community come here everyday and take their place at their sewing machines and embroidery tables to help run their households.
For TCF Team, the cause supersedes all other aspects. Certain values propel TCF. The team strives to remain:
- clear & focused
- entrepreneurial, inquisitive and inventive
- owners, not participants
- respectful, fair & just
- honest, transparent & trustworthy
- compassionately devoted

For TCF Faculty, non-faculty, non-managerial and managerial teams everywhere – from the Head Office in Karachi, regional network all over Pakistan and Azad Jammu and Kashmir (AJ&K) to international shores – the cause supersedes all other aspects.

TCF Principal Khowla Khatoon claims, “TCF is working for such a cause that once you become part of the mission, you are bestowed with a great sense of responsibility. You are ‘charged up’ to struggle for bringing about a positive change.” Khatoon is the principal of TCF Primary School Fazal-e-Muqeem Campus in Dhamial Lalazar (near Rawalpindi, Punjab). This is a poverty-ridden area. Generally the main source of income is daily wages. In this less privileged locality, TCF Primary School has been a beacon of guidance especially for the community women. The one personality whom these local women have come to trust is Mrs. Khowla Khatoon. She has been the principal of this Campus since 2000 when it became operational. All these years have resulted in a strong bond between Khowla and the community. She and her campus are household names in the area. But this is not how things were nine years back.

According to Khowla, “This community raised a lot of hue and cry when my teachers and I started creating awareness about TCF School. The locals used to dislike school-tours by ‘city folks’, foreign guests etc. They didn’t trust us enough to send their daughters to my campus. The first operational year was extremely tough. In those days, many troublemakers from the community used to protest outside my school gates.” None of this deterred strong-willed Khowla Khatoon. She claims that, “Once TCF empowers you, you in turn want to enlighten and empower others with the strength of education and social awareness.” With the successful completion of its first academic session, Fazal-e-Muqeem Campus had firmly taken roots and established itself in the area. The physical impact of quality education and exemplary academic environment was felt
strongly when the local children were reformed into disciplined, well-groomed and bright students. This outcome crushed all negative speculation that brewed among the community. The local imam of the mosque - initially against TCF - was so moved that before the beginning of the next academic session he brought all his four children to the campus and got them enrolled! Committed to remain clear and focused, honest, transparent & trustworthy, TCF Team is spearheading a silent revolution to alter mindsets.

Indeed there are certain values instilled in its members that propel TCF as a movement. TCF Teams are not mere participants – they take ownership of their ventures with a deep rooted sense of compassion.
TCF Students who expressed their "thanks" in seven different languages - Rahbar Program (see page 34)

World wide TCF Supporters unite for the cause (page 38 - 55)

You can join TCF Movement! Your support can help take a child off the streets into TCF Schools countrywide (page 84 - 88)
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The Movement that TCF is!
...one of the largest non-profit organization in the field of formal education

A fundamental human right, education, is a luxury for a poor man’s child. Over the years, the deplorable state of education in Pakistan has mobilized many groups and non profit organizations to take action.

Today TCF is spearheading this movement to revolutionize the prevalent educational scenario.

14 years ago, TCF was a dream shared by a small group of friends. However, this last decade has witnessed a steady growth of TCF Network and TCF has truly shaped into a people’s movement.

Today, as one of the largest non profit organizations of Pakistan, TCF is providing formal quality education to the lowest stratum of the society. Social constraints, logistical hurdles, financial and at times traditional pressures inhibit parents when it comes to sending off their children to school. But TCF
presents an alternative! True to its mission, TCF has reached into the most far-flung localities in the heart of urban slums and rural areas across Pakistan and AJ&K.

The Foundation was established in August 1995 and in September 1996 it was incorporated as a company limited by guarantee, under the Companies Ordinance 1984. Founding directors of TCF built the first five schools at their own expense and with the successful completion of first academic session; certain guiding values and principles had been firmly established for times to come. For TCF Team, this is not just an abstract value system; it is the doctrine that guides every action the team takes.

As of 2009, TCF has established 600 purpose-built school units nationwide with an enrollment of 80,000 students. TCF practices pay-as-you-can-afford system where a parent can pay as less as Rs. 10 per month. Up to 95% scholarships are provided to all deserving students. Books and uniforms are heavily subsidized and provided at easy installments. Since its inception, TCF has encouraged female enrollment and to date has 50% female ratio in almost every campus. TCF now has a full female faculty of 4,150 teachers.

TCF Education Team organizes an extensive Pre-Service Training (PSET) for its new staff every year and a rigorous In-Service Training (INSET) is conducted every summer to keep the existing faculty abreast with new trends in pedagogy.

TCF Movement is propelled by deep-rooted passion and empathy and a commitment to excellence - attracting the best and the brightest to join and create a meaningful and enduring change.
Welcome to TCF Schools

600 purpose-built TCF School Units are educating 80,000 deserving students all over Pakistan & AJ&K

At TCF Schools every element of nature mingles with elegant architecture and the glistening corridors come alive with peals of laughter as children frolic during their lunch break. But once, lessons commence, only chirping birds, merry rhymes or reading sessions float around to breakaway the soothing calmness of these exceedingly well-disciplined and well-managed campuses across Pakistan and AJ&K.

TCF believes that to disseminate quality education it is imperative to create a purpose-built, stimulating environment.

As of 2009, there are 600 TCF School Units operating in far flung localities welcoming 80,000 youngsters. Whether they are sandy colored structures, red bricked or special earthquake resistant buildings, these campuses are created keeping in mind certain uniformity and utmost quality control. Each and every TCF School has spacious, airy and well lit laboratories, classrooms, proper desks and chairs, a play area, canteen and an adequately stocked library and art room. All TCF Schools are therefore purpose-built with essential facilities such as clean toilets, electricity and clean drinking water.

Every standard TCF Primary School has an estimated covered area of 6,000-6,500 sq.feet with six classrooms from pre-primary till grade V, a library/an art room, administration block including the faculty room, accounts office, store and principal's room. There is a play area, canteen, guard room and clean toilets, separate for boys, girls and staff.

A standard TCF Secondary School has an estimated covered area of 13,000-15,000 sq.feet with 10 classrooms for
two sections each of grade VI to grade X (Matric). In addition to these standard facilities, TCF Secondary Schools also have well-equipped Physics, Chemistry, Biology and Computer laboratories.

TCF Schools follow a relevant and comprehensive curriculum, which is in line with the officially prescribed syllabus by the respective Regional Boards. However, this syllabus is suitably modified and regularly updated to meet the demands of modern-day education. To further enhance the syllabus and facilitate our teachers to teach effectively, guide lessons for prescribed textbooks are prepared by TCF. The teachers are also provided with attainment targets, which indicate the concepts that a child is expected to know at the end of each class.

TCF is striving to provide a healthy learning environment where energy and creativity of young children is nurtured to maximize their potential.

TCF takes pride in its schools and welcomes you to visit them and share with TCF Team your insight. We await your valuable, candid comments…
Chairman’s Review & Directors’ Report

Year end review of 2008 - 2009

The directors are pleased to submit their statutory report together with audited financial statements of The Citizens Foundation for the year ended June 30, 2009.

TCF Board of Directors and Management have taken effective measures to steer the Foundation onwards to a progressive future.

At TCF we aim to establish standards of excellence that reflect in all of our actions. To achieve this we need to keep evaluating our activities. From our operational network, financial management to academic performance we have conducted in-depth analysis of our systems, reviewed our activities and policies. The Board of Directors (‘The Board’) has formulated policies including risk management, procurement of fixed assets, goods and services, investments, donations, charities and contributions, transactions with related parties and impairment of assets etc. which are implemented and monitored through delegation of duties to standing committee of the Board i.e. the Audit Committee.

The program is moving forth at a satisfactory pace and we are continuously working towards maintaining the quality we have promised to our stakeholders. We have not expanded TCF Network to additional locations; instead we have endeavored to penetrate more in the existing areas of our program by making 70 more school units operational with the commencement of the new academic session from April 2009. TCF Education Program resonates with success as this year’s matriculation results show that grades A and A+ are 49% compared to last year’s 39%. Moreover, Matriculation results show that overall 90% of TCF Students have passed their examinations.

Board of Directors of TCF-USA has been named a Young Global Leader by the World Economic Forum (WEF), joining iconic young personalities including golfing great Tiger Woods, Founder of the Tiger Woods Foundation; and Mark Zuckerberg, Founder and CEO of Facebook as well as a host of fellow dignitaries from the worlds of business, academia, media, non-profit organizations and art.

International acclaim received by TCF include both our previous annual reports being awarded by South Asian Federation of Accountants (SAFA) in the category of best presented accounts by an NPO/NGO. Our annual report 2008 has also been submitted to SAFA by Institute of Chartered Accountants of Pakistan (ICAP). Other prominent awards include the ‘Corporate Excellence Award’ by the Management Association of Pakistan (MAP) that TCF has consecutively won for the second time in 2009.

This year marks a shift in the management of TCF as we welcome onboard CEO/President Syed Asaad Ayub Ahmad and Vice Presidents Mr. Riaz Kamlani and Dr. Ahson Rahbani. Mr. Asaad Ayub has been an ardent TCF Supporter and gracious donor for a long time. His last assignment was with an MNC in the Oil & Gas sector. Mr. Kamlani holds a Masters in Development Management and Business Administration. He was
associated with a multinational company for almost a decade. Dr. Ahson holds a Doctorate in Business Administration with experience in Social Marketing, Resource Mobilization and Corporate Social Responsibility. On behalf of TCF Family, we welcome the new management onboard and hope their leadership would bring a new energy to the team.

We would like to thank all TCF Donors and Supporters who have helped us come this far. We are grateful to the All Merciful, with Whose benevolence, we have collectively been able to progress and maintain our credibility. Alhamdulillah!

Operating Results
The operating results of the Foundation as detailed in the Income and Expenditure Account for the year ended 30 June 2009, shows an excess of expenditure over income amounting to Rs. 86,963,169. This includes an excess of expenditure over income amounting to Rs. 38,965,709 in respect of earthquake relief operations. Keeping overheads to a minimum, 90.85% of expenditure was directed to the Education Program.

Statement on Corporate and Financial Reporting Framework
- These financial statements, prepared by the management of the Foundation, present fairly its state of affairs, the results of its operations, cash flows and changes in funds and reserves.
- Proper books of account of the Foundation have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- Approved Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements. Approved accounting standards comprise such International Financial Reporting Standards issued by the International Accounting Standards Boards as are notified under the provisions of, and directives issued under, the Companies Ordinance, 1984.
- The system of internal control and other such procedures, which are in place, are being continuously reviewed by the internal audit function. The process of review will continue and any weakness in controls will be removed.
- There are no significant doubts upon the Foundation’s ability to continue.
- There has been no material departure from the best practices of corporate governance.

Audit Committee
The Committee comprises five members, all of whom, including the Chairman are in Non-Executive capacity of the Company. The terms of references of the Audit Committee is
Our Children, Our Joy, Our Hope! TCF School - Shirin Sultan Dossa Campus XIII, Jam Rando Goth, Sindh
in line with Global Best Practices. The purpose of the committee includes providing the Board with an independent and objective evaluation of the operation, policies, procedures and controls implemented within the Company. Furthermore, the committee also:

- Provides supplemental assistance and resources to the internal audit relating to integrating of the financial statements and financial reporting.
- Reviews and evaluates procedures established to comply with laws and regulations and to monitor compliance thereof.

Board of Directors
The Directors have met regularly to provide guidance and support for which the Directors' Report.

Auditors
The auditors, KPMG Taseer Hadi & Co., retire and offer themselves for re-appointment. The audit firm has been given satisfactory rating under the Quality Control Review Program of Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants' guidelines on code of ethics, as adopted by ICAP. The Board Audit Committee and the Board of Directors of the Company have endorsed their appointment for members' consideration at the forthcoming annual general meeting.

we record our appreciation and thanks. Since the last report, no change in directorship has taken place.

Financial Statements
The financial statements of the Foundation have been approved and duly audited without qualification by the auditors of the Foundation, KPMG Taseer Hadi & Co. and their report is attached with the financial statements. No material changes and commitments affecting the financial position of the Foundation have occurred between the end of the financial year to which this Balance Sheet relates and the date of
CEO's Report
My journey with TCF as its CEO commenced from January 2009 but my association with this cause has spanned well over a decade. As CEO TCF, these few months down the lane have been by far one of the most enlightening and challenging phases of my professional life. I have mingled with TCF Teams across many areas in Pakistan and yet such is the outreach of the Program that I still have not been able to visit each and every single locality where TCF has established its purpose-built campuses.

As TCF completes its 14th year of operation, we take pride in reporting that now 80,000 children are off the streets and receiving quality education in 600 purpose built school units. This year our momentum of opening new schools and reaching into far flung areas of Pakistan has reached another landmark with 70 new school units. We are now operating 459 primary school units and 141 secondary school units in 63 locations across Pakistan and Azad Jammu and Kashmir. This has been made possible by the support of TCF Stakeholders including faculty, communities, donors, volunteers, and employees. These passionate souls have joined TCF Movement to remove barriers of class and privilege to help make citizens of Pakistan agents of long lasting, meaningful, positive change.

Our constant focal point remains TCF Education program. For its faculty, TCF has organized extensive training spread over 100 hours of various modules dealing with child psychology, learning styles, assessment methods and child-centered teaching strategies. As the practice has been in previous years, TCF HR and Regional Teams organized sessions for annual induction of all Female Faculty from urban, rural and different educational backgrounds. This year the grand turnout of female candidates against 623 posts, was about
Promises to keep

4,000 in all four regional areas including Mansehra, Battal, Battagram Muzaffarabad, Jhelum, Chakwal, Khushab, Quetta, Peshawar, Zafarwal, Mian channu, Bhurewala, Khanewal, Jhang, Kotri, Sukkur, Jacobabad, Faisalabad, Muzaffargarh and Keti Bandar. Now, with the onset of Academic Session 2009, there are 4,150 female faculty members disseminating quality education among the young ones.

Our focus on quality of education has reaped satisfactory results with TCF Graduates securing admissions in different professional institutions. To cite an example, the first batch of TCP High School Graduates from Daharki (in Sindh) 2007-2008 have successfully enrolled in engineering, medical and other technological programs - a few from this outstanding batch include Ghazala Buriro who is currently studying at Sindh Institute Of Urology and Transplantation (S.I.U.T), Muhammad Jawad, Javed Ali and Ubaid-ur-Rehman are enrolled at NED Engineering University and Mehran University of Engineering & Technology, Jamshoro. Rabia Channa who is at People Medical College, Nawabshah, Sindh and Nadia Hussain, a Business Student is at IBA, Sukkur, Sindh. TCF High School Graduates from Punjab have equally made us proud with girls like Rabia, Durdana, Faiza and Naima among others reaching into prestigious institutions – Punjab University, King Edward Medical College, Homeopathic Medical College, Lahore and Lahore College University.

To further ensure our graduates get different opportunities, true to its mission, TCF, seeking Corporate Strategic Alliances, has taken onboard corporations like Pakistan International Airlines (PIA), The Resource Group (TRG) etc. who assure professional, career growth. A few months back, I was one of the signatories for the agreement sealed between TCF and PIA in Karachi. This Alliance is focused on TCF Cause for improving the standards and quality of education in Pakistan's remote and least privileged localities. PIA has agreed to enroll TCF Students in its yearly Internship Programme, train them in PIA Sports Academy and arrange field trips to its different facilities giving TCF Students practical exposure of aviation industry.

Every single achievement of students and any team member is a personal source of pride for me and TCF Family at large. Be it four young TCF North West Region students (from Anf Naqvi Campus in Shahpur) winning essay competition at Tehsil-level or TCF Team members doing exceedingly well in their designated field of expertise, I staunchly believe in recognizing their efforts. To put action to these mere words, in February, we launched a Performance Recognition Program for TCF employees to highlight exceptional service and significant efforts by team members. The objective of this program is to provide immediate feedback on outstanding work efforts and to reward exceptional service & achievements. I congratulate the fifteen recipients of the award. At TCF Head Office they are working in departments including Marketing, Human Resources, Information Technology, Education, Finance, and Administration. This award has also been bestowed upon team members from North Region, South West and South Regions (Sindh & Balochistan).

A determined effort from every member of the TCF Family is going to propel the Foundation in these times of global
and domestic financial uncertainties. I expect a great amount of creativity and commitment from every one of us in all aspects of our operation. Here I would like to specially thank our zealous groups of volunteers, friends and supporters in Pakistan as well as in USA, UAE, Kuwait, Bahrain, UK, Singapore and Hong Kong who, through their individual incessant efforts, continue to create awareness and raise funds for the Program. This year 'TCF, Canada' Chapter has received charity status from Canada Revenue Agency and can now function as a recognized charity all across the country. I would like to extend congratulations and best wishes to our Canadian supporters. This report of the financial year under review, highlights some of the major events and achievements of our family of volunteers – some of whom have trekked across mountains to raise funds!

I look forward to working with all of you through the times to come as we endeavor to keep our promise to the children of Pakistan - a promise of high standard education and opportunities to improve their quality of life…

Syed Asaad Ayub Ahmed
Chief Executive Officer
October, 2009
Board of Directors

Ahmad M. Saleem
Founding member on the Board of Directors of TCF, he has also served as Chairman of TCF 1996-2006. Mr. Ahmad Saleem is Chief Executive Officer of Crescent Steel & Allied Products Limited. He is also presently serving on the Board of several listed companies.

Arshad Abdullah
Founding Member on the Board of Directors of TCF, he is presently Chairman TCF since 2007. An architect by profession, Mr. Arshad is Founding Member and Chairman of the Board of Governors, Indus Valley School of Arts & Architecture, Karachi. Apart from hundreds of TCF Campuses in Karachi (and South), some of his major projects include: the Textile University of Pakistan, Muslim Commercial Bank's buildings as well as National Insurance Corporation building.

Ateel Riaz
A Founding member of the Board of Directors of TCF, he has been Chief Executive Officer (In honorary capacity) of TCF from July 2002 till May 2005. Mr. Ateel has been looking after the operations of the Irwinat Association of Companies which include Pano Rico Foods and Textile Private Limited.

Ishaque Noor
TCF Director since 2004, he is also Member, Executive Committee, Pakistan Chartered Accountants Club, Dubai since 2003. Mr. Ishaque is also General Manager, Pan Arabian Establishment (part of Al Bara Group) United Arab Emirates.

Mashtaq K. Chhagpar
Founding Member on the Board of Directors of TCF, he is also Honorary Consul General of The Royal Nepalese Embassy in Karachi. Mr. Mashtaq is serving as Director of various companies / corporations including Coastal Trading, CRM Plastics, Transpac (Pvt.) Ltd., Coastal Synthetics (Pvt.) Ltd., Multipaper Products (Pvt.) Ltd., and Coastal Converters (Pvt.) Ltd.

Rashid Abdullah
Founding Member on the Board of Directors of TCF, he also holds directorships in several companies of IBL/UDL Group.

Lt. Gen. (Retd.) Sabeh Chamaruz Zaman
He was awarded Hilal-e-Imtiaz for distinguished service in the Pakistan Army. Lt. Gen. (Retd.) Sabeh Chamaruz Zaman is a director of TCF and has also served as Chief Executive Officer of TCF from 1995 till 2001. He has also received UNESCO Award for managing Best Run NGO.
MR. ABDULLA ABDULLA
(1946 – 2009)

TCF Founding Director and Chairman of the Board Mr. Abdulla passed away on October 28, 2009, in Germany. He had been battling with cancer for a long time.

One of the founding directors of The Citizens Foundation (TCF), Mr. Abdulla passionately devoted himself for the cause. More than a decade ago, in 1995, he and his friends got together to materialise their dream of educating the less privileged stratum of Pakistan. Today TCF is a leading non-profit organisation in the field of formal education mainly because of people like Mr. Abdulla, who despite his personal commitments, grave sickness and time constraints, worked selflessly to propel TCF Movement.

Mr. Abdulla received high school education from the Karachi Grammar School and earned a Bachelor of Architecture Degree from the Illinois Institute of Technology, Chicago - USA. An eminent architect, he was a member of the Pakistan Council of Architects and Town Planners, along with being the founding member of the Indus Valley School of Art & Architecture (IVS), where he was currently serving as Chairman of the Board. Some of his major professional projects include the MCB Tower Karachi, MCB Building Islamabad, Textile University of Pakistan, etc.

Apart from being associated with TCF, this philanthropist also worked with charitable societies like, 'Society for Mental Health' and 'Friends of The Kidney Centre'.

His leaves behind a renowned TCF family. May Allah rest his soul in peace. Ameen.
TCF Management


Sitting (Left-Right): Sadiq Rehman, Rahila Fatima Shafeeqi, Neelam Habib, Seema Chopra, Tabish Shazad.

Chief Executive
- Syed Asaad Ayub Ahmed

Vice Presidents
- Riaz Kamani
- Dr. Abou Ramani

Company Secretary
- Mohammed Arif

Head of Human Resources
- Seema Chopra

Senior Manager Academics & Training
- Rahila Fatima Shafeeqi

Manager Evaluation
- Sultan Abbas

Senior Manager Multilateral Funding
- Sadiq Rehman

Manager Marketing
- Tabish Shazad

Manager Donor Relations
- Neelam Habib

Senior Manager Construction
- Mirza Saleem Baig

Financial Controller
- Malik Muhammad Khalid

Regional Managers
- Capt. (R) Farooq-uz-Zaman (SW)
- Lt. Col. (M) M Anwar Awais (North)
- Brig. (R) M Anwar Khan (South)
- Ghaz. (M) Masoodudin (NW)

Senior Manager Supply Chain
- Sadiq Qureshi
TCF Growth Pattern

Expense Pattern

Receipts Pattern

The chart containing receipts pattern includes donations and other income.

Donations received for fixed assets building schools etc., school support and children's education for subsequent period are reflected as 'Deferred Income' in the balance sheet. Donations received for TCF Earthquake Relief are not reported in this table.
TCF Awards

Fifth TCF Awards Ceremony

"...a day will come when we will be holding this event in a stadium..." If we walk down memory lane, this dream was shared by Mr. Ahsan Saleem, one of the Founding Directors of TCF, during the first TCF Award ceremony in 2004. Now, five years later, this dream came true!

TCF Awards are held every year to recognize the hard work and dedication of TCF Faculty, the linchpin of TCF Education Program. TCF started giving awards to its faculty staff in 2004 in the award categories of Long Service Award (for 5, 10 and 15 years of service), 100% Attendance Award, Special Award on 100% attendance for five consecutive years, 100% and Excellent Matriculation and post Matriculation results Awards (for schools and colleges). Five students who scored 85% and above in their Matriculation Examination from Lahore were awarded with silver medals during the ceremony held in FC Auditorium, Lahore.

The Fifth TCF Award ceremony was held at eight locations including Karachi, Lahore, Faisalabad, Islamabad, Khushab, Muzzafargarh, Petaro and Daharki. Apart from the Karachi and Daharki events, all other were held in the months of November and December 2008, while the Karachi event was held on January 18, 2009.

Around 3,618 people attended the ceremonies altogether, out of which more than 2,000 guests attended the Karachi event held at KMC Sports Complex/Stadium.

Diligent TCF Teams from TCF Head Office, South and South West Regional Offices came together to revamp and refurbish the entire Sports Complex to prepare for the biggest TCF event of the year.
A TCF Graduate, Falsa Bhatti has been part of TCF Faculty since 2006. During the Awards Ceremony in Karachi she shared her memories and experiences of being the sole breadwinner of her family after her father’s demise and the way TCF enabled her to keep going against all odds. Currently she is enrolled in a Child Centered Montessori Training Program where she will be involved in revising books for TCF Adult Literacy Program ‘Jagnoo’. (Note: to find out about Jagnoo Program, turn back to our theme pages.)
Golfers Changing Lives

Fifth TCF Annual Golf Tournament

TCF beckoned its sports enthusiasts to an exhilarating weekend of its annual Golf Tournament at Karachi Golf Club (KGC) on December 27-28 as TCF Annual Golf Tournament took off for the fifth year in a row. The event hosted 22 teams representing local and multinational institutions, as well as individuals who had come together to support TCF in its cause of education for the less privileged children. The categories included Amateurs, Seniors, Veterans, Ladies and Team Events.

Team Event winner was Feroze Team and Reckitt & Benckiser Team was declared the Runner up. Lt. Cdr. Irfan Rashid claimed the Longest Drive and Ms. Sherin Khan was declared the Ladies Event Winner. Amateur Event Winner was Mr. Syed Nayyar Hasnain and Col. Anwar Jan Babar captured the Senior Event. Veterans Title was clinched by Mr. Tahir Karamat. The winners were presented with TCF Shields as souvenirs.

TCF Teams from Head Office, South and South West Regions diligently worked to make this tournament a success.

The purpose of the tournament every
year is to raise funds to support the Nationwide TCF Network, which runs currently 600 purpose-built school units educating 80,000 deserving children. Each player at the tournament contributed to the Education Expenses of one-child-for-one-year. The entire proceeds of the Tournament went to the TCF Education Program.

Media partner of the event was The Financial Daily and radio channel FM 89, while Premier Insurance Limited provided the main sponsorship for the event.

The purpose of the tournament every year is to raise funds to support the Nationwide TCF Network which currently runs 400 purpose-built school units educating 80,000 deserving children.
Rahbar: Journey of Self Discovery

First of its kind, TCF Mentorship Program successfully completes its second year

Early last year TCF successfully launched a mentoring program 'Rahbar' aimed at the development of youth to become responsible members of their communities.

The role of a mentor in this program is to guide the mentee in his/her journey of self-discovery. The mentors in 'Rahbar' Program are those who:

- dedicate time
- listen respectfully at all times even in disagreement
- are honest and not judgemental
- share wisdom and learning
- share their own stories when asked
- engage with mentee as equal thinkers
- validate mentee's potential
- strongly believe in mentee—see their wholeness
- invite the mentee into their network

Rahbar's aim is to help the mentee develop a vision for his/her future. The 'Rahbar' Team plans that by the year 2012, every grade VIII student must have gone through the program - approximately 8,000 mentees under the guidance of 2,500 mentors will take on this odyssey of self discovery.

Rahbar — Second Phase

Following its successful pilot, the second phase of 'Rahbar' was conducted at four TCF Campuses in Karachi from October till December 2008.

226 students (mentees) and 73 volunteers (mentors/Rahbar) participated. The induction session was held on October 11, 2008. For eight consecutive weeks, every Saturday morning the mentors and mentees met for a three-hour interactive session where they bonded as discussions progressed on lives' inspirations, goals, obstacles, career decisions and contingency plans, dreams, etc. These three months turned out to be a wonderfully rewarding experience for every Rahbar and mentee. In this
period, the mentees were taken for different field trips to places like Aga Khan University, Maritime Museum, etc. Rahbar’s milestones included encouraging the mentee to understand his/her past and present, creating healthy role models, discovering future ambitions and developing pathways to attain those goals.

The concluding session held at Habib Girls School on December 20, 2008, was filled with fun and activities. A prize distribution ceremony was held to recognize the efforts of all the people who made ‘Rahbar’ a success. The day ended with a debriefing session and plans for the future of Rahbar Program.

**Rahbar Reaches North**

Encouraged by the success of TCF mentoring program Rahbar in Karachi, the team reached into North Region and Rahbar’s pilot program was launched on January 10, 2009, at a rural location Wara Allah Dad near Lahore. Rahbar was conducted at TCF Secondary School – Ahmed Al Ghurair Campus, Wara Allah Dad, and 18 esteemed professionals including student counselors, plastic surgeons, designers and TV producers enthusiastically joined in to mentor 41 students of grade VIII. These girls and boys were counseled for two months. A lovely interactive closing ceremony was held on March 14, 2009 and Regional Manager Col. (R) Anwar Awan and TCF Vice President Mr. Riaz Kamiani presented certificates to the mentors.

**Rahbar’s third successful phase**

On June 6, 2009, the closing awards’ ceremony of Rahbar’s third successful Karachi Program was held at the Sheikh Zayed Islamic Centre Auditorium, University Of Karachi. It was also covered by Pakistan’s leading electronic channel GEO.

This third phase of Rahbar Program in Karachi was held at seven TCF Schools throughout April and May and it involved 380 students of grade VIII and 99 volunteer-mentors from different walks of life. TCF Founding Directors Mr. Mushtaq Chhapra, Mr. Ateed Riaz and Mr. Ahsan Saleem, TCF CEO Mr. Asaad Ayub and Vice Presidents Dr. Ahson Rabbani and Mr. Riaz Kamiani awarded certificates to the mentors and the coordinators.
That’s the Spirit!

Strides in TCF Volunteer and Alumni Program - Highlights: July 2008 - June 2009

Summer Camp

July 2008 was an exciting month for those TCF students who were involved in TCF Summer Camp activities. More elaborately planned than ever before, this year the summer camp – from July 1-21 – was held at 14 schools in Karachi and 1 school in Lahore. There were 150 volunteers from various leading schools, colleges and universities who participated. The main aim of the program was to enhance written and spoken English language skills of TCF students of grades VII, VIII & IX. The camp was conducted in collaboration with iEARN who trained all TCF volunteers and provided all summer camp students with study material. During this time, some projects that were successfully conducted by volunteers included daily English enhancing activities and exercises, lovely handmade English magazines by students, and skits / songs for the camp’s concluding event at each campus. On the last day of the summer camp, a closing ceremony was held at each campus with a corporate representative present at each venue. At these events, speeches and skits were presented while students and volunteers bid an emotional farewell to each other. Certificates were also distributed to all volunteers and one certificate was presented to each campus.
Heroes Speak for TCF Students
Self-made, courageous individuals who have led inspiring lives by overcoming adversity have been invited to share their life stories with TCF Higher Secondary students. In this initiative called 'Hero Speaker Program', the aim is to inspire students to overcome their circumstantial difficulties and fulfill their true potential. In the pilot phase of the program from September onwards, Hero Speaker sessions with TCF Founding Director Mr. Mushtaq Chhapra, Mr. Aziz Rakhra, Mr. Asad Jung, Mrs. Nilofar Saeed and Mr. Asad Rafi have been held at schools in Youusuf Goth, Ibrahim Goth, Haukbsay and Jan Kanto Goth respectively. The program will be a regular feature at all Higher secondary schools in Karachi.

When I grow up I want to be....
Special 'Career Days' are scheduled to be held at TCF Secondary schools in Karachi and Lahore. Career Days are full day seminars on academic and career planning that aim to inform students of opportunities for higher education, vocational skill training and professional development. Career paths based on self-assessments, performance in school, life aspirations and needs are defined for all participants through syndicated discussion groups. The first Career Day was held in Basheedahe, an urban slum of Karachi, on November 27 at TCF Secondary School — Shirin Sultan Dossa Campus XII, in which 80 students participated.

Go Green
TCF conducted a tree-planting activity on November 13, 2008 where specific trees were planted with the aim of inculcating a sense of responsibility amongst the students towards their surroundings. Students of Grades VI, VII and VIII from TCF Secondary School-Costguard Adamek Campus in Korangi 2/4 were charged with the responsibility of planting and follow-up maintenance of nine ‘Cheeku’ trees. Celebrating its 60th anniversary, the Horticultural Society of Pakistan in collaboration with Crosby Asset Management arranged for the tree planting activity. The Horticultural Society of Pakistan conducted a brief presentation for the students on the importance of trees and their care and maintenance methods.

Earth - Fire - Water - Air
Indus Valley School of Art and
Architecture (IVS) in Karachi held two ceramic workshops for TCF Students. The workshops were conducted by Ms. Shehrezade Alam, Pakistan's first female studio potter. IVS provided scholarships for six TCF Students and two TCF Chaperone art teachers for this unique experience. An exhibition 'Earth Fire Water Air' was held on November 14 at IVS, which displayed the students' artwork along with the pieces created by their teachers.

**Fun with Intel**
TCF Secondary School — Saadat Bari Campus, Shah Faisal, Karachi was the venue for Intel's volunteer activity day with students of grades VI, VII & VIII on November 14, 2008. The students enjoyed immensely all the activities Intel had planned for them. Grade VI students had a series of quizzes and indoor games. Grade VII students had sports sessions while grade VIII students had speech competitions on the importance of computers and information technology in today's world. The excitement of the day concluded with Intel providing giveaways for the students who were involved in the activities.

**Of stories & games**
Primary School - Shirin Sultan Dossa Campus XV, Garden West became a hub of Target Sourcing Services' volunteer activities with students of KG, grades 1 & 2. November 17 turned out to be a fun-filled day with indoor games like 'pin the tail on the donkey' for KG students and book reading activities for I & II graders. The excitement of the day concluded with Target providing gifts for all the students of the primary section.

![Ceramic workshop being held for TCF Students at Indus Valley School of Arts and Architecture (IVS) in Karachi](image)

**Earth Day with Mobilink**
All TCF Schools throughout Pakistan celebrated 'Earth Day'. Volunteers from Mobilink made their mark by arranging and helping TCF Faculty and regional teams with various 'cleaning activities' that involved Mobilink Campus II, Taiser Town, Karachi, as well as Indus Motors Company Campus II, Hyderabad. 50 students from Hyderabad went to Rani Park and enthusiastically helped each other clean the public spot. In North West region, 50 students from Islandar Sultan Khawaja Campus, Uthal, participated in Rawal Lake cleaning activity and in North Region, 50 students from Mobilink Campus I, Nathoki near Lahore and Ch. Ali Akbar Campus, Faisalabad took part in cleaning activities at Minar-e-Pakistan and D-Ground respectively. 45 students from Taiser town in Karachi had an eventful day at Quaid-e-Azam Mazar. They not only cleaned the gardens, the students also visited the museum. At every activity spot 50 to 40 students were divided into multiple groups of five members each and every group was accompanied by a Mobilink Volunteer who supervised along with TCF Faculty members. It was a mutually enjoyable and learning experience for Mobilink and TCF Teams.

**Happy Day**
200 TCF Students in Karachi from Baldia and Naval Colony had an exciting time on March 03 at the popular Safari Park
— thanks to TCF Supporter, G4S Security, Pakistan, who organized this special field trip titled ‘Happy Day’ for the children. G4S Security Volunteers facilitated all commuting arrangements for TCF Students and faculty members. Thrilling rides, chair-lift, safari train, and various kinds of swings, slides and games awaited the children and the entire evening turned out to be a thoroughly enchanting experience.
Initiatives in Education Program

Training of about 300 TCF Trainers at 4 locations all over the country

At TCF, the Education Team strives to ensure that TCF Faculty promotes an environment of real learning — education must be imparted in a culture of effective teaching and support. As TCF network grows, so does the amounting challenge to continually evolve and advance the faculty’s skills and knowledge base to efficiently meet these challenges. This year the team’s major projects were to develop resource material to enrich the existing syllabi, revise teachers’ guide, and initiate output-based evaluation.

Aiming for academic excellence

Resource material and teachers’ guide were developed with a focus to increase quality of input across schools. It also aimed at bridging the gap in the curriculum. Our resource booklets encompass such themes as moral values, character building, environment, civic awareness and geography. This helps at enhancing students’ knowledge as well as becoming better human beings. This extensive project was taken as a challenge by the academic team and was completed in record time after the government brought back the new academic session from August to April 2009.

Training Team geared up

The training team this year developed and organized an extensive Training of Trainers Program for about 300 trainers for 14 groups at 4 geographical locations. This increase in our pool of trainers not only helps in managing the in-service and pre-service trainings for approximately 4,150 and 550 teachers respectively, but also strengthens program implementation at schools through qualified human resource.

Assistant Training Manager from TCF Head Office imparts technical pointers during an interactive training session held at TCF Secondary School in Quaidabad, Karachi.
Apart from the in-service and pre-service training, another successful training was the 45-hour Orientation Program for new hires in March. This initiative was taken to introduce new staff to TCF policies and procedures for smooth commencement of new schools in April.

**Paradigm shift in monitoring and evaluation**
There was a paradigm shift in TCF monitoring and evaluation approach this year. Instead of evaluating the process, the emphasis was laid on product evaluation i.e. students’ performance. This project aims at setting quality benchmarks across all grade levels. The team was involved in rigorous spade work of setting objectives, aligning systems and processes, and developing procedures to achieve the targets. This huge task involved developing centralized papers for all subjects from grades III-VIII, devising assessment and data collection methods, and reporting analysis of baseline information.

Another important task the evaluation team carried out was preparing Academic Audit Report for the last academic session. This report was shared with all stakeholders for strategizing improvement plans for future academic activities.

**TCF Education Conference**
A highlight of 2009 was the three-day ‘TCF Education Conference’ from February 16-18, 2009. It was attended by all regional education managers, cluster education officers and education team at the head office. The regional teams shared the successes and challenges faced in the year 2008-09 while our team talked of the new initiatives for 2009-10. Some workshops and discussion sessions were also conducted during the conference by both external experts and TCF Team members. This conference was instrumental in setting direction and targets for the next three years for TCF Education Teams.
TCF Movement Reaches Out

*TCF Movement is reaching out to more people, touching newer shores...*

Support-A-Child

With every new academic session, TCF Family welcomes fresh, young and eager children from the less privileged strata. TCF has pledged to hone these impressionable young minds intellectually, aesthetically and empower the youth of Pakistan. With this promise, comes a much greater sense of responsibility. And here: TCF Team looks up to you for your support. You can be an active partner of TCF in changing young lives. Your generous donation to ‘Support-A-Child’ will be an invaluable gift for a deserving TCF Student.

Keeping in mind the mounting challenge to continue disseminating quality education to a growing number of students, TCF Team has launched Support-A-Child (SAC) Campaign with much vigor. You can spot SAC Billboards across Karachi and special SAC Pledge forms have been designed and are being distributed by TCF Marketing Team to corporate sector, MNCs, banks, educational institutions etc. For friends and supporters like you, SAC information is available online at: [www.thecitizenfoundation.org](http://www.thecitizenfoundation.org)

To support the education of a TCF Student for an entire year, please log on to TCF Website for further details. TCF SAC Campaign needs a boost and TCF Team awaits your unyielding support!

Come forward to help fulfill many innocent young dreams by donating today to SAC Campaign.
TCF at SAARC Women Conference

TCF was invited to a South Asian Association for Regional Cooperation (SAARC) conference in Delhi, India. Titled as ‘WOMEN of SAARC: Partners in Development’, this symposium lasted from March 29 – 31, 2009. The objective of this conference was to enable and facilitate partnerships between various groups in South Asia to focus on empowerment of women in the areas of education, environment, livelihoods etc.

TCF Senior Manager Academics & Training, Ms. Rahila Fatima represented the organization and gave a formal presentation. She shared her experiences during various discussions in working groups and plenary sessions. The international participants appreciated efforts by TCF for social uplift of the least privileged strata through quality education and particularly applauded TCF Team’s attempts to bring girls to schools and empower women through employment and training opportunities.

TCF at Lumun’08

TCF Regional Team in Lahore is pleased to share that TCF Documentary was shown for the first time at the 5th Annual All Pakistan International Lahore University of Management Sciences Model United Nations (LUMUN) conference from 26-30 November 2008. It was screened on 29-30 November for an audience of 1,200 students from all over Pakistan and international delegates from Germany, Austria, Turkey and India. This was one of the largest students' gatherings of its kind in Asia.

LUMUN is a student-run non profit organization that has organized intra-LUMS, national and international level conferences on a regular basis since its inception in 2002. This year the LUMUN Team, in an effort to genuinely actualize the ideals of ‘peace’, ‘harmony’, ‘responsibility’ and ‘compromise’ celebrated by a Mock- UN simulation, introduced a Social Responsibility department in their organization to give a platform to the students to share their unique abilities with the community around them.

To encourage the youth to volunteer for TCF, LUMUN Team distributed ‘sign-up’ sheets amongst them after the documentary was screened.

Awarded!

**TCF Awarded for Corporate Excellence by MAP**

The Citizens Foundation is pleased to share with friends and supporters that for the second consecutive year it has been adjudged the winner of the ‘Corporate Excellence Award’ in the Non-Profit Social Services Organization Sector instituted by the Management Association of Pakistan [MAP].

MAP started presenting national companies its ‘Corporate Excellence Award’ in 1982 with the objective of recognizing the best managed companies and creating a sense of competition in the corporate sector for achieving excellence.

On May 14, 2009, TCF CEO Mr. Syed Asaad Ayub Ahmad was invited to a formal ceremony where he was presented with the trophy. Interestingly, all the award recipients happened to be TCF Donors and avid supporters of the cause!

**TCF Performance Recognition Award**

Earlier this year, in February, TCF Management launched its first-of-a-kind Performance Recognition Program for TCF employees to highlight exceptional service and significant efforts by team members. The objective of this program is to provide immediate feedback on outstanding work efforts and to reward exceptional service, achievements, etc.

TCF Family congratulates the 15 recipients of the award in the months of April and May. They are working in departments including Marketing, Human Resources, Information Technology, Finance, Administration, Education and in the North, South and South West Regional offices.
Around the regions in 11 days!

"...it's a pale blue sky and there's a pleasant breeze about..." and so started from May 17, 2009 a never-to-be-forgotten-11-day-journey across drastically different terrains all over the four TCF Regions in Pakistan and AJ&K. TCF Marketing Team comprising two women and a crew of eight men including film producer, director, director of photography and other members undertook this rigorous odyssey to remake a documentary encompassing every aspect of TCF.

From dry, scathing afternoons of rural Sindh to scorching ones of rural Punjab and from the mountainous range of NWFP to the serene sounds of gurgling river Jhelum in AJ&K, this team traveled...
thousands of miles to click, film and capture the thriving movement that TCF has become and the broad spectrum of supporters this movement has got onboard!

A formal documentary on TCF is the demand of the day! TCF Movement is reaching out to newer shores every day and revamped promotional material is greatly required to introduce our growing family with the vast outreach of TCF Network and the way TCF has managed to make a difference in so many lives across numerous communities.
TCF Friends from United Kingdom are diligently supporting the cause.

TCF Supporters are taking TCF Movement forward.

Bring on any challenge - TCF Friends and Supporters are ready to take it on!
SUPPORTERS
UNITE

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Friends onboard

Successful events mark the year for Friends of TCF in United Kingdom

In October 2008, TCF Supporter Sush Clarke trekked through Jordan to raise funds for the cause
Friends of TCF (FTCF) hosted their first ever regional community fundraiser in February 2009, titled ‘Educating for a Brighter Tomorrow’. Leading up to this much anticipated event, ladies of Redbridge, South Woodford and Seven Kings felt inspired by the achievements of TCF and took the initiative to hold fundraising lunches and get-togethers to raise the profile of FTCF.

‘Educating for a Brighter Tomorrow’ was sponsored by two of East London’s leading fashion boutiques, Seasons and Gul’s Style. The afternoon kicked off with introductory remarks by FTCF Trustee Imtiaz Dossa, and a screening of ‘Against the Tide’ – a heart-warming documentary about the lives, hopes and aspirations of TCF Students and their families. Guests were treated to a three-course meal and a fun-filled auction which featured Islamic Calligraphy kindly donated by Islamic Impressions - an Islamic Cultural Art and Book Store, Ottoman replicas, tickets to the London Eye, and a sparring and training session at renowned boxer Amir Khan’s gym.

The highlight of the proceedings was a presentation by Rifat Batool, deputy head teacher of Orchard Primary School, a primary school in South London. Rifat is a strong female role model in her community with an MBA in Educational Management. She spoke passionately about the importance of education for girls, and the role of women as leaders and pillars of their community.

The success of this event has laid the foundations for a vibrant FTCF support network in the East London area and we hope to enjoy many more events there in the future.

**FTCF GOALS Football Tournament**

In March, 15 teams took part in the Annual FTCF GOALS Football Tournament. Teams came together from across London for this 5-a-side competitive tournament. Teams such as FK757 and Seven Samurai began fundraising early, not only eager to win the tournament but keen to snatch prizes for the highest fundraising total. The participants brought spirit, skill and energy to the pitch and some fantastic football was played. The hotly contested (and coveted) winner’s cup was eventually won by the FC Delevaran team, winners for the second year running. FTCF would like to thank every team and player for taking part, and helping to ‘kick-start a child’s education’ in Pakistan.

**The Laugh’s On Us**

Following the rip roaring success of the last four years, FTCF once again presented an evening of great comedy in April at The Comedy Store, in the heart of London’s West End. Featuring some of UK’s finest comic talent, the evening was hosted by Geoff Whiting - a specialist MC and an established and popular compere. The acts included Rob Rouse, the up and coming hilarious Aahir Shah, and Quincy – an award-winning comedian as seen and heard on BBC3, Paramount Comedy, BBC1Xtra and BBC London. With sponsorship from Elevation Arts and a fantastic turnout on the night, the event was a great success!

**School Partnership**

February also saw the beginning of FTCF’s Twinning project. The Twinning project aims to partner the all-girls TCF Shirin Sultan Dossa School in Minhala – Lahore, Pakistan, with Challney School for Girls in Luton.

Having attended an FTCF evening with William Dalrymple in 2007, Alan Palmer, the head teacher of Challney School for Girls, approached FTCF with the idea of students from both schools building educational and social links with each other. FTCF were invited to present the ideas to students and staff at the School. Challney Girls were excited about exchanging letters with students from the country of their grandparents’ or parents’ birth. Girls enthusiastically asked if students at TCF Shirin Sultan Dossa Campus could read and write English well, to which the answer was yes. English is taught throughout primary and secondary TCF schools to equip children with essential literacy skills for further education and employment.

Thirty students aged 9 and 10 are already involved in the project and have begun exchanging letters with their counterparts in Lahore. They will learn about the similarities and differences between their schools, a typical day/week at school, a typical weekend or evening at home, favorite subjects, sports, books, hobbies, interests and ambitions. As the project progresses, we hope that participating students who visit Pakistan on holiday may also visit TCF Shirin Sultan Dossa campus.

Our primary aim for this project is to generate awareness amongst students at Challney School about TCF and FTCF.
Supporters Striving On

Among successful events and numerous achievements, a landmark is the launch of a Supporters’ wing in Faisalabad, Punjab.

Supporters of TCF (STCF) work in an honorary capacity to create awareness about TCF and coordinate enormous fund-raising efforts to raise donations for TCF Education Program.

Formed with the inception of TCF, STCF is the first official chapter of supporters and volunteers who are gung-ho on projecting TCF Cause and creating awareness. During September/October 2008, as a result of a diligently carried-out Zakat Campaign, STCF generated huge amount of funds that was donated to TCF Education Program. Furthermore, STCF’s ‘Each-One-Teach-One’ campaign has been reinforced and re-launched in January 2009. This campaign solely focuses on acquiring funds to support the educational expenses of a child – one-supporter-per-child.

Year after year, STCF is spreading its wings throughout the country. A landmark achievement in 2009 was the launch of STCF Wing in Faisalabad on April 17. Ms. Nageen Paiq will be heading the STCF Faisalabad Wing.

STCF is synonymous for quality events and STCF Calendar boosts of exceptionally successful and popular fund-raising events. Here, STCF Team wishes to especially thank the various corporate sponsors who donated generously for numerous fund raising events.

Nawab Sahib arrives in town

STCF in Karachi collaborated with the famous Rafi Peer production to bring about a classy theatrical extravaganza Nawab Sahib Kibla. Successfully captivating the imagination of a packed house at Arts Council night after night, the play was put up from August 16-21, 2008. Nawab Sahib Kibla attracted massive media attention. A popular journalist wrote for a leading Newspaper Dawn that, ”...raising audience at the Karachi Arts Council auditorium vouched for the quality and use of the classic Urdu language in the play..."
written back in 1939, and it had a hearty laugh at the jibes thrown to sneer at the decadence of the feudal order. All woven into a succinct 60-minute stretch and written on the lines of a comedy of manners — packed with laughs and discerning points to ponder — Nawab Sabih Kihla, makes fun of the redundant feudal mindset that refused to acknowledge the cultural degradation setting both in the political and social fabric of society." The stalwart cast included Mohammad Qavi Khan, Javed Rizvi, Usmaan Peerzada and Mehreen Rafi. The play was directed by Usmaan Peerzada.

...workshops and get-togethers to mobilise the team
A workshop on "Effective Volunteerism" for all ‘Supporters’ of TCF was conducted by the School of Leadership (SOL), which was held at Marriott in Karachi on August 25, 2008. STCF wishes to thank Mrs. Sultana Hashwani and Urooj Mazhar from SOL for conducting the interactive workshop. Throughout spring this year, numerous get-togethers have been held at STCF Members’ abodes to create awareness and expand TCF Donor base. Two such elaborate dinners in Lahore on February 20 and in Karachi on May 9 hosted popular Pakistani female satirist and comedian Beo. Previously, STCF in Karachi organized an exclusive HiTea for Ladies followed by an auction of beautiful paintings, carpets, furniture items and more, on November 20, 2008, where the auction was conducted by Beo. She had the ladies rolling with laughter with her hilarious quips and stories.

ILMaTHON 2009
STCF held its annual fundraiser walk-a-thon event "ILMaTHON" in Karachi on February 8. At the sixth iLMaTHON, more than 5,000 people from the corporate sector, overseas Pakistani communities and a huge number of individual supporters and donors of TCF had a chance to meet hundreds of TCF Students. The walk was followed by "Maj Mela", a fun festival organized for the enjoyment of the participants.

...by the Pool Garden
STCF in Lahore has many gracious supporters including eminent painter, recipient of Pride of Performance Mr. Shahid Jalal, who promotes TCF Cause. He graciously donated 22 of his paintings for auction to raise funds throughout the month of March in Karachi, Lahore and Islamabad. The donations raised through this series of auctions went towards supporting eight TCF Schools.
Bring on any Challenge!

2009 marks the completion of a decade for TCF Supporters’ chapter in UAE

The year marked the completion of a decade for TCF-UAE, the first international chapter of The Citizens Foundation. In a meeting in Dubai with members of the Board, TCF-UAE reaffirmed its responsibility towards the 80,000 less-privileged children currently enrolled in TCF Education Program.

For the year, TCF-UAE exceeded its target set in the Global Inter-chapter Conference held in Karachi last year. Raising awareness and expanding its supporter base in the UAE and other GCC countries continued to remain the focal point of the Chapter’s activities. Apart from nurturing its new supporters group in Oman, highlights of the year were:

**TCF Annual Wadi Adventure 2009 - A Family Event!**

On 9th January 2009, TCF-UAE organized a fun-filled venture that could be shared with the entire family. Nine 4x4 vehicles, led by Explorer Tours, made their way across the Wadi Bih, nicknamed the “Grand Canyon” of the UAE.

The morning began at 6:00 am when the entourage headed north towards Fujairah from where they entered the majestic Northern Hajar Mountain range and made their way over the mountains. The participants were given the opportunity to experience the truly amazing scenery that highlighted the remoteness and solitude of this unique...
landscape. A sumptuous barbecue lunch was offered at a scenic location, high in the mountains, and later the participants were given a chance to explore the fascinating landscape on foot.

**TCF Oman Trek 2009**

TCF-UAE held its third Trek Challenge in the beginning of February 2009 to raise support and highlight the cause of TCF. A team of six trekkers gathered up their gear to embark on a four-day hike to scale Jebel Akhdar, the ‘Green Mountain’, in the Hajjar Mountain Range in Oman. Rising to 3,000 metres and sporting endless walls of limestone cut by wadis and hanging valleys, Jebel Akhdar is crowned as one of Eastern Arabia’s highest mountains. Oman’s exciting mountainous terrain, ancient heritage and fascinating local culture made this an adventure of a lifetime!

**Universal Children’s Day Celebration 2008**

Universal Children’s Day saw a number of NGOs come together on 21st November 2008 at the Global Village in Dubai. TCF-UAE set up a kiosk and put up banners at the venue to raise awareness about the organization. A brief introduction of TCF was given by 9 year old Iman Haider, followed by the screening of a short documentary. An art competition, clowns, jugglers and an appearance by Barney and friends were also part of the evening’s festivities.

**Expanding the Reach**

TCF-UAE is planning to launch new chapters in Qatar and Kuwait in the next financial year in an effort to mobilize the support of the Pakistani communities based in these GCC countries for TCF Program.

**TCF Shooting & Archery Event 2008**

TCF-UAE first ever Shooting and Archery event was held on 2nd August 2008 at the Sharjah Golf & Shooting Club. Each participant was given the opportunity to try their hand at a bow ‘n’ arrow and a .22 caliber gun. A competition was held for both shooting and archery and the winners were awarded medals by the Club. The event received both pre-event as well as post-event coverage.
A Landmark Year!

"TCF - Canada" now function as a recognized charity in the country

Since its inception in 2005, TCF Canada has put in its best effort to raise awareness for the needs of the children in Pakistan, and to raise funds for TCF Schools.

2009 is a landmark year for TCF Canada: it has received Charity Status from the Canada Revenue Agency, and can now function as a recognized charity, to which all donations are tax deductible.

This will help TCF Canada expand its donor base all across Canada. It is now in the process of planning new marketing strategies in order to reach the much wider mainstream community. It is also planning to open its wings in other major cities in Canada.

TCF Canada takes great pride in announcing that its President Mr. Aziz Rakda was awarded the Humanitarian Award by the Pakistan Canada Business Council on the occasion of their 25th Anniversary. Mr. Rakda received this recognition for his dedication to TCF Cause, and his very generous contributions.

In order to raise funds and create awareness, TCF Canada hosted its Annual Gala Dinner at the Bayview Country Club on February 15, 2009. The event was a great success.
“Transforming Pakistan ...with Education” is the theme of the 2009 mid-year fundraising campaign of TCF-USA. Annual Zakat and year-end campaigns should round off a productive year of fundraising in these tough economic times. U.S. Supporters have funded over 43 TCF Schools since 2002, in addition to contributing liberally for school operating costs and special projects over the years.

The volunteer network of TCF-USA continues to reach out in new communities to spread TCF message and raise funds for TCF Schools and programs. Its well established Chapters in the North East Region (New York, New Jersey and the New England states) and Northern California are achieving new benchmarks of organizational maturity and contributing to the national leadership at Board and committee levels through innovative ideas in marketing, outreach programs, governance and fiscal management. The numerical strength, sustainability and performance efficiencies of TCF USA’s support groups also validate improvements in all areas. Hence, it’s pleased to report significant community interest generated by activity and events in Chicago, New Jersey, Seattle, Ohio, Dallas, Connecticut, San Diego, Fresno, Sacramento, Los Angeles and Indianapolis.

The Annual Board Meeting for 2009 was held in May at the national office in Chicago. Review of financial and strategic objectives was the primary business agenda. The Board approved a revised Mission Statement to include new language in support of gender equality and advocating for education.

A fundraising gala attended by 225 guests hosted a night with popular singer Tahira Syed (middle)
reform — “The Citizens Foundation, USA supports the building of civil society in Pakistan by providing quality education to underprivileged children, promoting gender equality and advocating for reform of public education.” In keeping with its policy of transparency in operations, TCF-USA Board meetings are open to all supporters and help to nurture leadership development through participation at committee, chapter and board levels.

**Marketing and Website Enhancements:**
TCF-USA’s Marketing Team leads its national activity planning and dovetails with fundraising strategy and implementation. A professionally managed campaign, launched in June-July, is aimed to reach major media outlets in the U.S. The website and publications team have been working to streamline and enhance the current site, including a new blog as part of its efforts to increase online outreach; the blog can be seen at: [http://www.tcfusa.org/blog/](http://www.tcfusa.org/blog/). A newly designed brochure-mailer was mailed in May this year to over 40,000 households as part of the mid-year fundraising drive and is already turning up new donor commitments.

**Fundraising & Outreach Events**

**Chicago, IL:**
On August 22, 2008 a fundraising gala attended by 225 guests had popular singer Tahira Syed as entertainer and guest of honor (retired) Admiral Fazil Janjua, an ardent and long-time TCF supporter. Highlights of the evening included an anonymous donation for building a TCF school in Sangkar, Sindh.

**Indianapolis, IN:**
‘Seeds of Learning’ (SOL), a group established after the 2005 earthquake has funded a TCF school “Campus of Hope” in Bai Bela, Manschri, N.W.F.P. SOL has held a fundraiser every year to support this school. Its event held in October 2008 included a special appearance by popular standup comedian Maz Jobrani and raised huge funds.

**Columbus, OH:**
On April 11, 2009, the Pakistani American Students Association along with the Multicultural Center at the Ohio State University raised funds for TCF schools at a fundraising event. TCF-USA supporter Barbara Janes was keynote speaker. Barbara shared her experience as a Peace Corps volunteer in Pakistan during the ‘60s and also spoke about her volunteer work as a science teacher trainer in 2007 for TCF in Pakistan.

**Connecticut:**
Members of the North East region Chapter hosted an Iftar Dinner and raised a big sum to benefit the Sophia Campus.

**Seattle, WA:**
For a long time now, TCF-USA has enjoyed tremendous individual and collective support from the folks who work at Microsoft. The Diversity Advisory Council for Pakistani professionals at Microsoft hosted an Eid Dinner on October 24, 2008, for their families and friends to raise funds for TCF School — ‘Dreamfly Campus’ in Akri, Badin. About 200 attendees were entertained by the Pakistan-based band, TMB. The Dreamfly Campus opened its doors to the children of Akri in 2008.

On May 30, 2009, TCF-USA supporters at Microsoft came together once again with their friends in the newly formed Seattle Support Group for a well-organized fundraiser. The event raised enough funds to build a new school. Over four hundred guests were entertained by Mo Amer, of the popular ‘Allah Made Me Funny’ Comedy Tour. Educator Pam Morehouse who has volunteered her services as a Teacher Trainer at TCF in Pakistan, shared her experiences and thoughts about TCF. This was the most successful event in terms of number of attendees ever held by TCF-USA supporters, especially commendable considering the size of the Seattle community compared to larger US cities.

**Dallas, TX:**
A new support group got off the ground in Dallas with an outreach luncheon held in October 2008.

**Chicago, CA:**
"The Current State of Education in Pakistan: Beyond Literacy, Security and Human Rights" was the broad topic of a community outreach event at California State University, Chicago, on November 12, 2008. The presentation was an overview of the glaring education gap in Pakistan, noting that 41 million school age children are currently not in school, and just 4 percent of the 36 million in the 15-24 age group ever receive a college education.

**New Jersey:**
On March 16, 2009, TCF supporter Tariq Khan invited over 200 people to Chandni restaurant in New Jersey to tell them about TCF and the school he
is helping to build in Chakwal. The event raised funds for the school.

**Los Angeles, California:**
300 supporters in San Dimas celebrated a colorful kite-flying Basant Mela (spring festival) on April 11, 2009, with all its traditional funfare. The Mela was organized to create greater awareness for the cause of education in Pakistan.

**Community Forums in California:**
The work of TCF and the need for stronger support for national educational reform were presented at forums in March 2009 in four California cities — Sacramento, Fresno, San Diego and Los Angeles. The meetings drew several new supporters and it is anticipated that the result will be new Support Groups in these communities.

**Recognition of Youth Volunteers:**
TCF-USA would like to make special mention of young volunteers and thank Obaid Khwaja who assisted at the TCF-USA office in Chicago in summer 2008; and Sarah and Satvika, Girl Scouts ‘Bridge of Lights’ team from Dallas, who raised funds for TCF Students.

TCF - USA Supporter Barbara James proudly carries the Pakistani flag during President Obama’s historical inauguration ceremony.
FINANCIAL REPORT

- Auditor’s Report to the Members 60
- Balance Sheet 61
- Income & Expenditure Account 62
- Cash Flow Statement 63
- Statement of Changes in Funds and Reserves 64
- Notes to the Financial Statements 65
TCF inculcates certain values including transparency, honesty and trust.

With every sunrise, thousands of deserving children are heading off to their TCF Campuses - thanks to your donations!

To date, TCF is amongst the highest scoring organizations certified by Pakistan Centre for Philanthropy (PCP).
Auditors' Report to the Members

We have audited the annexed balance sheet of The Citizens Foundation ("the Foundation") as at 30 June 2009 and the related income and expenditure account, cash flow statement and statement of changes in funds and reserves together with the notes forming part thereof, for the year then ended and we state that 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.

It is the responsibility of the Foundation's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of accounts have been kept by the Foundation as required by the Companies Ordinance, 1984;

b) in our opinion:
   i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
   ii) the expenditure incurred during the year was for the purpose of the Foundation's business; and
   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Foundation;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, cash flow statement and statement of changes in funds and reserves together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give inforamtion required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at 30 June 2009 and of the deficit, its cash flows and changes in funds and reserves for the year then ended; and

d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Date: 09 OCT 2009

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Moneea Usman Butt
## Balance Sheet

**As at 30th June 2009**

### ASSETS

<table>
<thead>
<tr>
<th>Note</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2,184,884,315</td>
<td>1,828,023,767</td>
</tr>
<tr>
<td>Intangible asset</td>
<td>997,359</td>
<td>1,308,109</td>
</tr>
<tr>
<td>Long term investments</td>
<td>67,189,697</td>
<td>175,333,963</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>2,243,334</td>
<td>1,600,583</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>2,255,314,705</strong></td>
<td><strong>2,006,266,422</strong></td>
</tr>
</tbody>
</table>

### Current assets

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock of uniforms, text books and exercise copies</td>
<td>-</td>
<td>169,298</td>
</tr>
<tr>
<td>Advances, deposits and prepayments</td>
<td>30,700,799</td>
<td>25,713,504</td>
</tr>
<tr>
<td>Accrued income and other receivables</td>
<td>1,830,602</td>
<td>1,236,035</td>
</tr>
<tr>
<td>Short term investments</td>
<td>10,000,000</td>
<td>12,258,000</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>158,800,560</td>
<td>142,242,276</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>201,331,961</strong></td>
<td><strong>181,619,113</strong></td>
</tr>
</tbody>
</table>

### FUNDS AND LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital fund</td>
<td>1,300,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>General fund</td>
<td>867,872,804</td>
<td>1,032,966,315</td>
</tr>
<tr>
<td>Deficit of income over expenditure for the year</td>
<td>(86,963,169)</td>
<td>(160,370,453)</td>
</tr>
<tr>
<td>Unrealised (loss) / gain on remeasurement of available for sale investments</td>
<td>(28,291)</td>
<td>7,300,538</td>
</tr>
<tr>
<td><strong>Total Funds and Liabilities</strong></td>
<td><strong>782,181,344</strong></td>
<td><strong>881,096,400</strong></td>
</tr>
</tbody>
</table>

### Current liabilities

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current maturity of liabilities against assets subject to finance lease</td>
<td>-</td>
<td>5,655,845</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>47,805,850</td>
<td>44,378,153</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>47,805,850</strong></td>
<td><strong>50,033,998</strong></td>
</tr>
</tbody>
</table>

### Rupees

<table>
<thead>
<tr>
<th></th>
<th>2,456,646,666</th>
<th>2,187,885,535</th>
</tr>
</thead>
</table>

### Contingencies and commitments

| 15 |

The annexed notes 1 to 25 form an integral part of these financial statements.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**
# Income & Expenditure Account

*For the year ended 30th June 2009*

<table>
<thead>
<tr>
<th>Note</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>16</td>
<td>568,127,780</td>
</tr>
<tr>
<td>Profit on investments</td>
<td></td>
<td>6,152,914</td>
</tr>
<tr>
<td>Profit on bank accounts</td>
<td></td>
<td>4,272,837</td>
</tr>
<tr>
<td>Exchange gain</td>
<td></td>
<td>11,161,626</td>
</tr>
<tr>
<td>Capital gain / (loss) on sale of investment - net</td>
<td></td>
<td>12,713,878</td>
</tr>
<tr>
<td>Gain on disposal of fixed assets</td>
<td></td>
<td>2,714,738</td>
</tr>
<tr>
<td>Dividend income</td>
<td></td>
<td>1,343,700</td>
</tr>
<tr>
<td>Reversal of provision for impairment loss</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td>606,487,473</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships / subsidies to TCF schools</td>
<td>17</td>
<td>377,972,016</td>
</tr>
<tr>
<td>Salaries and other benefits</td>
<td>18</td>
<td>67,317,367</td>
</tr>
<tr>
<td>Fund raising expenses</td>
<td></td>
<td>2,374,234</td>
</tr>
<tr>
<td>Teachers' training</td>
<td></td>
<td>11,844,675</td>
</tr>
<tr>
<td>Vehicle running and maintenance</td>
<td></td>
<td>8,145,486</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td></td>
<td>2,768,990</td>
</tr>
<tr>
<td>Travelling and conveyance - staff</td>
<td></td>
<td>1,776,837</td>
</tr>
<tr>
<td>Utilities and communication</td>
<td></td>
<td>4,931,310</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td>447,711</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td></td>
<td>3,712,170</td>
</tr>
<tr>
<td>Advertisement</td>
<td></td>
<td>2,126,497</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4.1</td>
<td>139,733,289</td>
</tr>
<tr>
<td>Amortization of intangible asset</td>
<td>5</td>
<td>336,750</td>
</tr>
<tr>
<td>Fee and subscriptions</td>
<td></td>
<td>565,820</td>
</tr>
<tr>
<td>Office rent</td>
<td></td>
<td>9,205,493</td>
</tr>
<tr>
<td>Auditors' remuneration</td>
<td></td>
<td>85,125</td>
</tr>
<tr>
<td>Professional charges</td>
<td></td>
<td>2,156,445</td>
</tr>
<tr>
<td>Bank charges</td>
<td></td>
<td>523,327</td>
</tr>
<tr>
<td>Office expenses</td>
<td></td>
<td>465,629</td>
</tr>
<tr>
<td>Financial charges - leasing</td>
<td></td>
<td>79,673</td>
</tr>
<tr>
<td>Provision for impairment loss on available for sale investments</td>
<td>6.6</td>
<td>17,918,089</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td></td>
<td>654,484,933</td>
</tr>
</tbody>
</table>

(Deficit) / surplus of income over expenditure -
operations other than earthquake relief
(47,997,460) 43,704,788

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations - earthquake relief</td>
<td></td>
<td>10,628,648</td>
</tr>
<tr>
<td>Earthquake relief expenses</td>
<td>(49,594,557)</td>
<td>(319,539,123)</td>
</tr>
<tr>
<td>Deficit of income over expenditure - earthquake relief</td>
<td></td>
<td>(38,965,709)</td>
</tr>
<tr>
<td>Deficit of income over expenditure for the year</td>
<td>Rupees</td>
<td>(86,963,169)</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 25 form an integral part of these financial statements.
# Cash Flow Statement

*For the year ended 30th June 2009*

## Cash flows from operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations</td>
<td>13,259,060</td>
<td>(86,793,411)</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>(642,751)</td>
<td>2,059,900</td>
</tr>
<tr>
<td>Financial charges paid - leasing</td>
<td>(79,673)</td>
<td>(510,302)</td>
</tr>
<tr>
<td><strong>Net cash flows generated from / (used) in operating activities</strong></td>
<td><strong>12,536,636</strong></td>
<td><strong>(85,243,815)</strong></td>
</tr>
</tbody>
</table>

## Cash flows from investing activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure</td>
<td>(498,440,540)</td>
<td>(458,181,268)</td>
</tr>
<tr>
<td>Sales proceeds on disposal of fixed assets</td>
<td>4,535,449</td>
<td>4,256,790</td>
</tr>
<tr>
<td>Investments-net</td>
<td>82,897,340</td>
<td>30,011,135</td>
</tr>
<tr>
<td>Profit received on investments</td>
<td>5,781,993</td>
<td>6,878,211</td>
</tr>
<tr>
<td><strong>Net cash flows used in investing activities</strong></td>
<td><strong>(405,225,758)</strong></td>
<td><strong>(417,035,132)</strong></td>
</tr>
</tbody>
</table>

## Cash flows from financing activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital fund</td>
<td>100,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Deferred income</td>
<td>408,017,045</td>
<td>453,692,975</td>
</tr>
<tr>
<td>Endowment fund</td>
<td>4,528,206</td>
<td>35,731,030</td>
</tr>
<tr>
<td>Repayment of liabilities under finance lease</td>
<td>(5,655,845)</td>
<td>(5,845,726)</td>
</tr>
<tr>
<td><strong>Net cash flows from financing activities</strong></td>
<td><strong>406,989,406</strong></td>
<td><strong>483,878,279</strong></td>
</tr>
<tr>
<td>Net increase / (decrease) in cash and cash equivalents</td>
<td>14,300,284</td>
<td>(18,400,666)</td>
</tr>
</tbody>
</table>

Cash and cash equivalents at beginning of the year | 154,500,276 | 172,900,942 |
Cash and cash equivalents at end of the year | **168,800,560** | **154,500,276** |

The annexed notes 1 to 25 form an integral part of these financial statements.
# Statement of Changes in Funds and Reserves

For the year ended 30th June 2009

<table>
<thead>
<tr>
<th>Capital fund</th>
<th>General fund</th>
<th>Accumulated deficit</th>
<th>Un-realised (loss) / gain on remeasurement of available for sale investments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>900,000</td>
<td>1,187,511,745</td>
<td>(136,345,942)</td>
<td>2,258,368</td>
<td>1,054,324,171</td>
</tr>
</tbody>
</table>

**Balance as at 30 June 2007**

**Changes in funds and reserves for the year ended 30 June 2008**

<table>
<thead>
<tr>
<th>Capital Fund received during the year</th>
<th>300,000</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>300,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer of deficit of income over expenditure to the general fund</td>
<td>-</td>
<td>(136,345,942)</td>
<td>136,345,942</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from general fund to endowment fund</td>
<td>-</td>
<td>(18,199,488)</td>
<td>-</td>
<td>-</td>
<td>(18,199,488)</td>
</tr>
<tr>
<td>Deficit of income over expenditure for the year</td>
<td>-</td>
<td>-</td>
<td>(160,370,453)</td>
<td>-</td>
<td>(160,370,453)</td>
</tr>
<tr>
<td>Realised gain on disposal of available for sale investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,425,030)</td>
<td>(2,425,030)</td>
</tr>
<tr>
<td>Un-realised gain on remeasurement of available for sale investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,467,200</td>
<td>7,467,200</td>
</tr>
<tr>
<td>Total recognized income and expense for the year</td>
<td>-</td>
<td>-</td>
<td>(160,370,453)</td>
<td>5,042,170</td>
<td>(155,328,283)</td>
</tr>
</tbody>
</table>

**Balance as at 30 June 2008**

**Rupees**

| 1,200,000 | 1,032,966,315 | (160,370,453) | 7,300,538 | 881,096,400 |

**Changes in funds and reserves for the year ended 30 June 2009**

<table>
<thead>
<tr>
<th>Capital Fund received during the year</th>
<th>100,000</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer of deficit of income over expenditure to the general fund</td>
<td>-</td>
<td>(160,370,453)</td>
<td>160,370,453</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from general fund to endowment fund</td>
<td>-</td>
<td>(4,723,058)</td>
<td>-</td>
<td>-</td>
<td>(4,723,058)</td>
</tr>
<tr>
<td>Deficit of income over expenditure for the year</td>
<td>-</td>
<td>-</td>
<td>(86,963,169)</td>
<td>-</td>
<td>(86,963,169)</td>
</tr>
<tr>
<td>Realised gain on disposal of available for sale investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(8,756,282)</td>
<td>(8,756,282)</td>
</tr>
<tr>
<td>Un-realised loss on remeasurement of available for sale investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(16,490,636)</td>
<td>(16,490,636)</td>
</tr>
<tr>
<td>Impairment loss on available for sale investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,918,089</td>
<td>17,918,089</td>
</tr>
<tr>
<td>Total recognized income and expense for the year</td>
<td>-</td>
<td>-</td>
<td>(86,963,169)</td>
<td>(7,328,829)</td>
<td>(94,291,998)</td>
</tr>
</tbody>
</table>

**Balance as at 30 June 2009**

| 1,300,000 | 867,872,804 | (86,963,169) | (28,291) | 782,181,344 |

The annexed notes 1 to 25 form an integral part of these financial statements.
Notes to the Financial Statements
For the year ended 30th June 2009

1. LEGAL STATUS AND NATURE OF OPERATIONS

The Citizens Foundation ("the Foundation") was incorporated in Pakistan as company limited by
guarantee on 24 September 1996 under section 42 of the Companies Ordinance, 1984. The
Foundation is principally engaged in establishing schools to promote education. The Foundation
receives funds from cross sections of society within and outside Pakistan for building of primary and
secondary schools as well as for operation of schools. These donations are made by organizations,
institutions and individuals.

The registered office of the Foundation is situated at 7th floor, NIC Building, Abbasi Shaheed Road,
Karachi, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance:

These financial statements have been prepared in accordance with approved accounting standards
as applicable in Pakistan. Approved accounting standards comprise of such International Financial
Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified
under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives
issued under the Companies Ordinance, 1984 shall prevail.

2.2 Initial application of a standard or an interpretation

- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after
28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and
Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments:
Disclosure and Presentation. The application of the standard have resulted in certain increased
disclosures.

- IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods
beginning on or after 28 April 2008). The Company does not have any operations in
Hyperinflationary Economies and therefore the application of the standard did not affect the
Company's financial statements.

- IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after
01 July 2008) addresses the accounting by entities that operate or otherwise participate in
customer loyalty programmes under which the customer can redeem credits for awards such
as free or discounted goods or services. The application of IFRIC 13 did not affect the
Company's financial statements.
- IFRIC 14 – IAS 19- The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008) clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements for such asset.

### 2.3 Forthcoming requirements

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company’s operations or are not expected to have significant impact on the Company’s financial statements other than increased disclosures and impact on presentation of financial statement:

- Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009).

- Revised IAS 23 - Borrowing costs (effective for annual periods beginning on or after 1 January 2009).

- Amended IAS 27 - Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009).

- IAS 27 ‘Consolidated and separate financial statements (effective for annual periods beginning on or after 1 January 2009).

- Amendments to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009).

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible hedged Items (effective for annual periods beginning on or after 1 July 2009).

- Amendments to IAS 39 and IFRIC 9 - Embedded derivatives (effective for annual periods beginning on or after 1 January 2009).

- Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009).

- Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010).

- Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009).

- IFRS 4 - Insurance Contracts (effective for annual periods beginning on or after 1 January 2009).

- Amendment to IFRS 7 - Improving disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009).

- IFRS 8 – Operating Segments (effective for annual periods beginning on or after 1 January 2009).
- IFRIC 15- Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009).

- IFRIC 16 - Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008).

- IFRIC 17 - Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009).

- IFRIC 18 Transfers of Assets from Customers (to be applied prospectively to transfers of assets from customers received on or after 01 July 2009).

- The International Accounting Standards Board made certain amendments to existing standards as part of its first and second annual improvements project. The effective dates for these amendments vary by standard.

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except for:

- available for sale investments which are stated at their fair values.

- donated land and buildings which are stated at valuation as described in note 3.1.

2.5 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Foundation's functional currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the subsequent years are as follows:
Operating fixed assets and intangible assets

The Foundation reviews the rate of depreciation, useful life and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of operating fixed assets and intangible asset with a corresponding affect on the depreciation and amortisation charge and impairment.

Held to maturity investment

The Foundation has classified certain investments as held to maturity. In this regard, judgement is involved in evaluating the intention and ability to hold these investments till their respective maturities.

Available for sale investment

Management has determined fair value of certain investments by using quotations from active market condition and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgement (e.g. valuation, interest rate, etc.) and therefore, cannot be determined with precision.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented.

3.1 Property, plant and equipment

Owned

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold and leasehold land and donated land and buildings. Cost include expenditure directly attributable to the acquisition of an asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably.

The value assigned to the leasehold land is not depreciated since the lease is renewable at the option of the lessee.

Donated land is stated at nominal value. Donated buildings are initially measured at valuation determined by the management and subsequently carried at valuation less accumulated depreciation and accumulated impairment, if any.
Depreciation is charged to income under the straight-line basis at rates specified in note 4.1 to these financial statements. Depreciation is charged on operating fixed assets from the date asset is available for intended use up to the date the asset is disposed off. Depreciation methods, useful lives and residual values are reviewed at each reporting date. Normal repairs and maintenance are charged to income and expenditure account as and when incurred. Gains and losses on disposal of an item of property, plant and equipment are taken to income and expenditure account currently.

Capital work in progress is stated at cost accumulated up to the balance sheet date. Assets are transferred to operating fixed assets when they are available for intended use.

Leased

Assets subject to finance lease are accounted for by recording the asset at the lower of present value of minimum lease payments under the lease agreements and the fair value of assets acquired. The related obligations under the lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged in a manner similar to owned assets.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Costs that are directly associated with identifiable software products controlled by the Foundation and have probable economic benefit beyond one year are recognised as intangible assets.

Costs associated with maintaining computer software products are recognised as expense as and when incurred.

3.3 Investments

All investments in equity securities and units / certificates of open and closed end mutual funds classified as available for sale are initially recognized at fair value and subsequently remeasured at fair value and any resultant gain or loss recognised directly in the funds and reserves until derecognised or impaired, when the accumulated adjustments recognised in funds and reserves are included in the income and expenditure account. Any reversal in impairment loss is recognised in funds and reserves for equity instruments.

The fair value of these investments are determined on the basis of year-end bid prices obtained from stock exchange quotations and the relevant redemption prices for open end mutual fund units.

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Investments classified as held to maturity are recognised initially at fair value, plus attributable transaction cost. Subsequent to initial recognition, these are stated at amortised cost.
3.4 **Other payables**

Other payables are recognized initially at fair value and subsequently carried at amortised cost.

3.5 **Impairment**

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of such asset is estimated and impairment loss is recognised in the income and expenditure account.

3.6 **Financial instruments**

All the financial assets and financial liabilities are recognized at the time when the Foundation becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Foundation loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income and expenditure account.

3.7 **Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Foundation intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.8 **Income recognition**

Donations for school operations are recognized as income as and when received.

Donations related to operating fixed assets e.g. for building schools etc. received in cash are recognized as deferred income and amortized over the useful lives of asset from the date the asset is available for intended use.

Donations received for school support and education of a child till matriculation are deferred and recognised as income on a systematic basis to match them with the related costs that they are intended to compensate.

Gain or losses on sale of investments are included in income and expenditure account on the date at which the transaction takes place.

Dividend income is recognized when the right to receive dividend is established.

Income on held to maturity investments is recognized on an accrual basis using the effective interest rate method.

Income on deposit accounts and term deposits receipts are recognised on time proportion basis taking in to account the effective yield.
3.9 Expenses

All expenses are recognised in the income and expenditure account on an accrual basis.

3.10 Taxation

The Foundation enjoys exemption from income tax under clauses (60) and (92) of the Second Schedule to the Income Tax Ordinance, 2001, consequently no provision for taxation is made in these financial statements.

3.11 Provisions

Provisions are recognised in the balance sheet when the Foundation has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimates.

3.12 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. All monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Pak Rupees at the rates of exchange prevailing on the balance sheet date. Exchange differences, if any, are included in income and expenditure account currently.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with banks and other short term highly liquid investments with maturities of three months or less.

3.14 Transfer to general fund

The Foundation transfers deficit / surplus of income over expenditure to general fund in the year in which it is approved.

4 PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating fixed assets</td>
<td>1,890,352,290</td>
<td>1,319,400,146</td>
</tr>
<tr>
<td>Capital work in progress</td>
<td>282,709,279</td>
<td>445,472,570</td>
</tr>
<tr>
<td>Advance for construction</td>
<td>8,649,082</td>
<td>18,419,505</td>
</tr>
<tr>
<td>Advance against purchase of operating fixed assets</td>
<td>3,173,664</td>
<td>44,731,546</td>
</tr>
<tr>
<td>Rupees</td>
<td>2,184,884,315</td>
<td>1,828,023,767</td>
</tr>
</tbody>
</table>
### 4.1 Operating fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Education</th>
<th>Furniture and fittings</th>
<th>Vehicles</th>
<th>Machinery</th>
<th>Office and other equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>household</td>
<td>freehold</td>
<td>household</td>
<td>freehold</td>
<td>household</td>
<td>household</td>
<td>household</td>
</tr>
<tr>
<td><strong>2009</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At 1 July 2008</strong></td>
<td>6,410,000</td>
<td>125,425,345</td>
<td>5,528,071</td>
<td>1,522,156,531</td>
<td>124,523,155</td>
<td>192,117,551</td>
<td>24,209,033</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>-</td>
<td>-</td>
<td>2,315,240</td>
<td>120,505,534</td>
<td>46,482,395</td>
<td>105,189,038</td>
<td>39,625,231</td>
</tr>
<tr>
<td>Net book value</td>
<td>6,410,000</td>
<td>125,425,345</td>
<td>5,310,313</td>
<td>991,512,997</td>
<td>84,038,620</td>
<td>85,937,513</td>
<td>6,472,802</td>
</tr>
<tr>
<td><strong>Additions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>11,696,877</td>
<td>-</td>
<td>602,666,668</td>
<td>29,566,593</td>
<td>65,065,925</td>
<td>44,360</td>
<td>3,045,666</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Disposals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,596,933</td>
<td>8,000</td>
<td>6,756,811</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,398</td>
<td>5,717,498</td>
<td>35,046,531</td>
</tr>
<tr>
<td><strong>Depreciation for the year</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>61,062</td>
<td>1,174,967</td>
<td>2,277,202</td>
</tr>
<tr>
<td>Closing net book value</td>
<td>6,410,000</td>
<td>136,909,420</td>
<td>5,040,437</td>
<td>1,514,772,962</td>
<td>100,462,478</td>
<td>116,108,666</td>
<td>1,183,219</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Education</th>
<th>Furniture and fittings</th>
<th>Vehicles</th>
<th>Machinery</th>
<th>Office and other equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>household</td>
<td>freehold</td>
<td>household</td>
<td>freehold</td>
<td>household</td>
<td>household</td>
<td>household</td>
</tr>
<tr>
<td><strong>At 30 June 2008</strong></td>
<td>6,410,000</td>
<td>125,425,345</td>
<td>5,528,071</td>
<td>1,522,156,531</td>
<td>124,523,155</td>
<td>192,117,551</td>
<td>24,209,033</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>-</td>
<td>-</td>
<td>2,487,644</td>
<td>289,614,857</td>
<td>53,564,618</td>
<td>161,128,955</td>
<td>1,350,281</td>
</tr>
<tr>
<td>Net book value</td>
<td>6,410,000</td>
<td>136,909,420</td>
<td>5,040,437</td>
<td>1,514,772,962</td>
<td>100,462,478</td>
<td>116,108,666</td>
<td>1,183,219</td>
</tr>
<tr>
<td><strong>Depreciation rates (% per annum)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5%</td>
<td>5%</td>
<td>10</td>
</tr>
</tbody>
</table>

#### 4.1.1 Land held

Land held includes land acquired by the Foundation as well as received as donations. The donated piece of land are measured at nominal value. Value of certain donated land is not to be

#### 4.1.2 Fixed building which were constructed prior to the incorporation of the Foundation were donated at an estimated cost of Rs. 1 million each.

#### 4.2 Capital work in progress

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July</td>
<td>645,472,570</td>
<td>342,575,490</td>
</tr>
<tr>
<td>Depreciation incurred during the year</td>
<td>419,917,197</td>
<td>368,934,162</td>
</tr>
<tr>
<td>Transferred to school buildings during the year</td>
<td>805,899,767</td>
<td>760,297,050</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>382,709,279</td>
<td>605,472,570</td>
</tr>
</tbody>
</table>

#### 4.3 Intangible Assets

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July</td>
<td>1,309,109</td>
<td>1,598,992</td>
</tr>
<tr>
<td>Additions (in cost)</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Amortization charge</td>
<td>(536,799)</td>
<td>(536,799)</td>
</tr>
<tr>
<td>Closing book value</td>
<td>997,350</td>
<td>1,092,909</td>
</tr>
<tr>
<td>Gross carrying value</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cost</td>
<td>1,699,816</td>
<td>1,699,816</td>
</tr>
<tr>
<td>Additions (in cost)</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Accumulated amortization</td>
<td>(718,077)</td>
<td>(383,217)</td>
</tr>
<tr>
<td>Closing book value</td>
<td>997,350</td>
<td>1,092,909</td>
</tr>
</tbody>
</table>

Intangible asset represents software purchased cost which is amortized over the period of five years from the date of its initial recognition.
6. **LONG TERM INVESTMENTS:**

*Held to maturity - Term finance certificates*

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Bank Limited - Tranche II</td>
<td>9,998,400</td>
<td>9,998,800</td>
</tr>
<tr>
<td>United Bank Limited - Tranche III</td>
<td>9,990,000</td>
<td>9,994,000</td>
</tr>
<tr>
<td>Pakistan Mobile Communication Limited</td>
<td>19,111,427</td>
<td>8,992,800</td>
</tr>
<tr>
<td>Askari Bank Limited</td>
<td>10,260,615</td>
<td>10,264,725</td>
</tr>
<tr>
<td>NIB Bank Limited</td>
<td>4,185,660</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>53,546,102</strong></td>
<td><strong>39,250,325</strong></td>
</tr>
</tbody>
</table>

*Available for sale - Units / Certificates of Open end and Closed end funds*

<table>
<thead>
<tr>
<th>Fund</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Money Market Fund</td>
<td>-</td>
<td>494,161</td>
</tr>
<tr>
<td>JS Value Fund</td>
<td>229,175</td>
<td>995,495</td>
</tr>
<tr>
<td>JS Large Capital Fund</td>
<td>1,276,655</td>
<td>3,657,555</td>
</tr>
<tr>
<td>Atlas Fund of Funds</td>
<td>2,082,000</td>
<td>6,183,540</td>
</tr>
<tr>
<td>Pakistan Strategic Allocation Fund</td>
<td>2,719,990</td>
<td>7,303,530</td>
</tr>
<tr>
<td>Meezan Balanced Fund</td>
<td>3,479,560</td>
<td>5,749,100</td>
</tr>
<tr>
<td>Atlas Income Fund</td>
<td>-</td>
<td>49,710,699</td>
</tr>
<tr>
<td>United Growth and Income Fund (Income Units)</td>
<td>-</td>
<td>21,179,650</td>
</tr>
<tr>
<td>United Growth and Income Fund (Growth Units)</td>
<td>-</td>
<td>804,890</td>
</tr>
<tr>
<td>MCB Dynamic Cash Fund</td>
<td>-</td>
<td>29,013,771</td>
</tr>
<tr>
<td>Faysal Saving Growth Fund</td>
<td>-</td>
<td>1,562,456</td>
</tr>
<tr>
<td>AKD Income Fund (Growth Units)</td>
<td>472,455</td>
<td>525,731</td>
</tr>
<tr>
<td>JS Growth Fund</td>
<td>355,260</td>
<td>1,131,810</td>
</tr>
<tr>
<td>NAFA Cash Fund</td>
<td>-</td>
<td>5,202,180</td>
</tr>
<tr>
<td>PICIC Energy Fund</td>
<td>3,028,500</td>
<td>2,569,070</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,643,595</strong></td>
<td><strong>136,083,638</strong></td>
</tr>
</tbody>
</table>

**Rupees**

<table>
<thead>
<tr>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>67,189,697</td>
<td>175,333,963</td>
</tr>
</tbody>
</table>

6.1 This represents investment in 8 years term finance certificate and carry profit at the rate of 9.49% per annum and will mature on 15 March 2013. Fair value of the TFC as at 30 June 2009 amounted to Rs. 8,718,010.

6.2 This represents investment in 8 years term finance certificate and carry profit at the rate of 1.70% per annum plus 6 months KIBOR and will mature on 8 September 2014. Fair value of the TFC as at 30 June 2009 amounted to Rs. 9,661,410.

6.3 This represents investment in 7 years term finance certificate and carry profit at the rate of 2.85% per annum plus 6 months KIBOR and will mature on 31 May 2013. Fair value of the TFC as at 30 June 2009 amounted to Rs. 20,049,250.

6.4 This represents investment in 8 years term finance certificate and carry profit at the rate of 1.5% per annum plus 6 months KIBOR and will mature on 31 October 2012. Fair value of the TFC as at 30 June 2009 amounted to Rs. 9,819,365.

6.5 This represents investment in 7 years term finance certificate and carry profit at the rate of 1.15% per annum plus 6 months KIBOR and will mature on 05 March 2016. Fair value of the TFC as at 30 June 2009 amounted to Rs. 4,622,010.

6.6 During the year impairment loss amounting to Rs. 17,918,089 has been recognized on its available for sale securities.
7. ADVANCES, DEPOSITS AND PREPAYMENTS - considered good

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances to staff for expenses</td>
<td>24,800,737</td>
<td>13,346,541</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>2,665,474</td>
<td>6,187,577</td>
</tr>
<tr>
<td>Current maturity of lease deposits</td>
<td>-</td>
<td>2,415,600</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>3,234,588</td>
<td>3,763,786</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30,700,799</strong></td>
<td><strong>25,713,504</strong></td>
</tr>
</tbody>
</table>

8. ACCRUED INCOME AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued income on investments</td>
<td>1,453,804</td>
<td>1,082,883</td>
</tr>
<tr>
<td>Tax deducted at source</td>
<td>130,755</td>
<td>82,872</td>
</tr>
<tr>
<td>Other receivables</td>
<td>246,043</td>
<td>70,280</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,830,602</strong></td>
<td><strong>1,236,035</strong></td>
</tr>
</tbody>
</table>

9. SHORT TERM INVESTMENTS

*Term deposit receipts:*
- Bank Al-Habib Limited
- Barclays PLC Pakistan

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1</td>
<td>10,000,000</td>
<td>12,258,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,000,000</strong></td>
<td><strong>12,258,000</strong></td>
</tr>
</tbody>
</table>

9.1 This represents investments in term deposits for 3 months maturing on 26 September 2009 and carrying profit at the rate of 11.25% per annum.

10. CASH AND BANK BALANCES

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>29,842</td>
<td>17,797</td>
</tr>
</tbody>
</table>
| Cash at bank:
  - current account                   | 33,204,908| 36,909,122|
  - deposit account                    | 125,565,810| 105,315,357|
| **Total**                            | **158,770,718** | **142,224,479** |

10.1 Profit rates on deposit accounts range between 0.25 to 9% per annum (2008: 0.25 to 10% per annum).

11. CAPITAL FUND

This represents contribution by the members on their joining the Foundation.

12. ENDOWMENT FUND

This represents contributions received from donors with the stipulation of the principal amount to be kept intact while the income earned on related investments could be used for specific or general purpose.
13. **Deferred Income**

<table>
<thead>
<tr>
<th>Related to operating fixed assets</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>1,172,798,499</td>
<td>755,758,737</td>
</tr>
<tr>
<td>Donations received during the year</td>
<td>359,370,947</td>
<td>430,332,070</td>
</tr>
<tr>
<td>Amortisation for the year</td>
<td>(39,812,692)</td>
<td>(13,292,308)</td>
</tr>
<tr>
<td>SUM</td>
<td>1,492,356,754</td>
<td>1,172,798,499</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Related to school support and children education</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>23,856,120</td>
<td>1,762,548</td>
</tr>
<tr>
<td>Donations received during the year</td>
<td>48,646,098</td>
<td>23,360,905</td>
</tr>
<tr>
<td>Amortisation for the year</td>
<td>(7,551,282)</td>
<td>(1,267,333)</td>
</tr>
<tr>
<td>SUM</td>
<td>64,950,936</td>
<td>23,856,120</td>
</tr>
</tbody>
</table>

**Rupees** 1,557,307,690 1,196,654,619

14. **Accrued Expenses and Other Liabilities**

| Accrued expenses                          | 4,544,940  | 6,366,096  |
| Security deposit                          | 12,354,264 | 9,529,780  |
| **Retention money**                       | **14.1**   | **9,529,780** |
| Tax deducted at source                    | -          | 446,258    |
| Scholarship                                | 7,398,173  | 7,408,869  |
| Other liabilities                         | 1,996,867  | 2,378,054  |

**Rupees** 47,805,850 44,378,153

14.1 These represent deposits obtained from teachers in order to discourage them from leaving TCF without noticing.

15. **Contingencies and Commitments**

**Contingent liabilities**

In June 2003, the Foundation received an advice from Sindh Employees’ Social Security Institution (SESSI) vide letter No. SS/CD/Cont/4/5589 dated 1 June 2003 stating that the Foundation is liable to pay social security contribution in respect of all employees w.e.f. 8 February 2003 under Social Security Scheme, vide Sindh Government Gazette Notification No. L-II-5/9/2002 dated 8 February 2003. Consequently a notice was received by the Foundation from Assistant Collector (Grade-I) demanding a payment of Rs. 484,500 as arrears of social contribution for the period May 2003 to September 2003. The Foundation has filed a petition with Honourable Bench of Sindh High Court challenging SESSI’s application of Social Security Scheme on Educational Units. The Division Bench of Sindh High Court on 25 April 2008 adjudicated the case against the Foundation on the ground that the services of the employees should be secured in case of sickness, maternity, employment injury or death and for matters ancillary thereto. The Foundation filed an appeal with the Supreme Court against Sindh High Court’s dismissal of the Foundation petition which has been admitted by the Supreme Court on 26 September 2008. However, no hearing has been taken place since then. Similar notification has been received from Punjab Employees’ Social Security Institution (PESST) demanding a payment of Rs. 86,988 being social security contribution for the period from November 2002 to November 2008 in view of sub-section (3) of section-1 of the Provincial Employees Social Security Ordinance 1965 (“the Ordinance”). The Foundation has filed case in Supreme Court of Pakistan which referred back the case to relevant authorities in term of the Ordinance.

No provision has been made in the financial statements for the alleged demands as management is confident of a favourable outcome in appeal.

**Commitments**

Commitment in respect of capital expenditure amount to Rs. 59.3 million (2008: Rs. 110.8 million).
16. **DONATIONS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations received for school operations</td>
<td>520,763,806</td>
<td>412,308,915</td>
</tr>
<tr>
<td>Amortised - donations related to assets</td>
<td>39,812,692</td>
<td>13,292,308</td>
</tr>
<tr>
<td>Amortised - donations related to school support and children education</td>
<td>7,551,282</td>
<td>1,267,333</td>
</tr>
<tr>
<td><strong>Rupees</strong></td>
<td>568,127,780</td>
<td>426,868,556</td>
</tr>
</tbody>
</table>

16.1 This includes zakat collected during the year amounting to Rs. 64.8 million (2008: Rs. 68.3 million).

17. **SCHOLARSHIPS / SUBSIDIES TO TCF SCHOOLS**

Individual items of receipts and expenditure pertaining to various schools are not incorporated in these financial statements. However, net deficit of the schools is reimbursed by the Foundation and is shown as "Scholarship / subsidies to TCF Schools".

18. **SALARIES AND BENEFITS**

18.1 **Chief Executive Officer's Remuneration**

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and allowances</td>
<td>2,130,000</td>
<td>4,455,596</td>
</tr>
<tr>
<td>Medical allowance</td>
<td>-</td>
<td>445,346</td>
</tr>
<tr>
<td>Special allowance</td>
<td>90,000</td>
<td>445,346</td>
</tr>
<tr>
<td><strong>Rupees</strong></td>
<td>2,220,000</td>
<td>5,346,288</td>
</tr>
</tbody>
</table>

19. **CASH GENERATED FROM OPERATIONS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficit of income over expenditure</td>
<td>(86,963,169)</td>
<td>(160,370,453)</td>
</tr>
<tr>
<td>Adjustments for non cash charges and other items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>139,733,289</td>
<td>107,759,354</td>
</tr>
<tr>
<td>Amortization of intangible asset</td>
<td>336,750</td>
<td>340,883</td>
</tr>
<tr>
<td>Amortization of deferred income</td>
<td>(47,363,974)</td>
<td>(14,559,641)</td>
</tr>
<tr>
<td>Profit on investments</td>
<td>(6,152,914)</td>
<td>(5,453,391)</td>
</tr>
<tr>
<td>Gain on sale of fixed assets</td>
<td>(2,714,738)</td>
<td>(4,256,752)</td>
</tr>
<tr>
<td>Financial charges</td>
<td>79,673</td>
<td>510,302</td>
</tr>
<tr>
<td>Provision for impairment loss</td>
<td>17,918,089</td>
<td>-</td>
</tr>
<tr>
<td>Working capital changes</td>
<td>19.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1,613,946)</td>
<td>(10,763,713)</td>
</tr>
<tr>
<td><strong>Rupees</strong></td>
<td>13,259,060</td>
<td>(86,793,411)</td>
</tr>
</tbody>
</table>

19.1 **Working capital charges**

<table>
<thead>
<tr>
<th>Description</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease / (increase) in current assets</td>
<td>169,298</td>
<td>627,232</td>
</tr>
<tr>
<td>Stock of uniforms, text books and exercise copies</td>
<td>(4,987,295)</td>
<td>(4,975,856)</td>
</tr>
<tr>
<td>Advances, deposits and prepayments</td>
<td>(223,646)</td>
<td>515,524</td>
</tr>
<tr>
<td>Accrued income and other receivables</td>
<td>(5,041,643)</td>
<td>(3,833,100)</td>
</tr>
<tr>
<td><strong>Rupees</strong></td>
<td>(1,613,946)</td>
<td>(10,763,713)</td>
</tr>
</tbody>
</table>

Increase / (decrease) in current liabilities

| Accrued expenses and other liabilities         | 3,427,697     | (6,930,613)   |
| **Rupees**                                     | (1,613,946)   | (10,763,713)  |
20. **CASH AND CASH EQUIVALENTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>9</th>
<th>10,000,000</th>
<th>12,258,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term investments</td>
<td>10</td>
<td>158,800,560</td>
<td>142,242,276</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td></td>
<td><strong>168,800,560</strong></td>
<td><strong>154,500,276</strong></td>
</tr>
</tbody>
</table>

21. **RELATED PARTY TRANSACTIONS**

Related parties include associated undertakings having common directors and key management personnel. Details of transactions with related parties other than those disclosed else where in the financial statements are as follows:

21.1 **Donation / service received from related parties**

Arshad Shahid Abdulla (Private) limited, in which Mr. Arshad Abdulla (Director of the Foundation) is also a director, has provided voluntary architect consultancy services to the Foundation during the year.

Ashraf Riaz (Private) Limited, in which Mr. Ateed Riaz (Director of the Foundation) is also a director, has donated Rs. 25,858 (2008: Rs.3,008,388) during the year.

Crescent Steel and Allied Products Limited, in which Mr. Ahsan Saleem (Director of the Foundation) is also a director, has donated Rs. 4,144,150 (2008: Rs. 22,823,210) during the year.

Indus Valley of School Art and Architecture, in which Mr. Arshad Abdulla (Director of the Foundation) is also a director, has donated Rs. 35,400 (2008: Rs. 10,000) during the year.

Searl Pakistan (Private) Limited, in which Mr. Rashid Abdulla (Director of the Foundation) is also a director, has donated Rs. 495,016 (2008: Rs. 2,000,000) during the year.

United Distribution (Private) Limited, in which Mr. Rashid Abdulla and Mr. Arshad Abdulla (Directors of the Foundation) are also directors, has donated Rs.1,225,057 (2008: Rs. 1,118,223) during the year.

21.2 **Key management remuneration / compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Foundation. The Foundation considers Chief Executive Officer, Vice Presidents and Financial Controller as its key management personnel. The remuneration / compensation paid or payable to key management for employee service amounts to Rs. 9.176 million (2008: Rs.6.285 million ). There are no transactions with the key management personnel other than under their terms of employments / entitlements.

22. **FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

The Board of Directors of the Foundation has overall responsibility for the establishment and oversight of the Foundation's risk management framework. The Board is also responsible for developing and monitoring the Foundation's risk management policies.

The Foundation's activities expose it to a variety of financial risks such as:

- Market risk
- Credit risk and
- Liquidity risk
22.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market prices.

The Foundation manages market risk by monitoring exposure in marketable securities by following the investments guidelines approved by the Executive Committee (EC) and Board of Directors (BOD).

Market risk comprises of three type of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign supporter or volunteer. The financial assets and liabilities of the Foundation are not materially exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at 30 June 2009, the investment in debt securities exposed to interest rate risk is detailed in note 6.

At present the Foundation has no interest bearing financial liabilities, the income and expenditure account and operating cash flows are substantially independent of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

At present majority of the Foundation’s investment in debt securities carry floating interest rate that expose it to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on 30 June 2009 with all other variables held constant, the assets of the Foundation would have been higher / lower by Rs.78,668 (2008: Rs. 56,407) with consequential effect on deficit of income over expenditure for the year. This arises substantially from the increase / decrease in interest income and accrued income receivable on Term Finance Certificates.

b) Sensitivity analysis for fixed rate instruments

The Foundation manages fair value risk by investing primarily in floating rate debt securities preferably with no cap and floor to insulate it from fair value interest rate risk. At present the Foundation account for fixed rate debt instrument at amortized cost, therefore a change in interest rate as at reporting date would have no effect on income and expenditure account and funds and reserves.
The sensitivity analysis prepared as at 30 June 2009 is not necessarily indicative of the effect on the Foundation's assets and income and expenditure account of future movements in interest rates. The table below summarizes the Foundation's exposure to interest rate risk.

### 2009

<table>
<thead>
<tr>
<th>Mark-up rates</th>
<th>Interest / mark-up bearing</th>
<th>Non interest / mark-up bearing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>Maturity up to one year</td>
<td>Maturity one to five years</td>
<td>Maturity after five years</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>9.49-16.60</td>
<td>10,018,470</td>
<td>53,527,632</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued income and other receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>0.25 - 9.0</td>
<td>125,565,810</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>135,584,280</td>
<td>53,527,632</td>
<td>-</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### 2008

<table>
<thead>
<tr>
<th>Mark-up rates</th>
<th>Interest / mark-up bearing</th>
<th>Non interest / mark-up bearing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>Maturity up to one year</td>
<td>Maturity one to five years</td>
<td>Maturity after five years</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>8.00-14.00</td>
<td>12,270,110</td>
<td>25,919,815</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advances and deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued income and other receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>3.50-9.5</td>
<td>105,315,357</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>117,585,467</td>
<td>25,919,815</td>
<td>13,318,400</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current maturity of liabilities against asset</td>
<td>7.5-8.5</td>
<td>5,655,845</td>
<td>-</td>
</tr>
<tr>
<td>On balance sheet gap</td>
<td>Rupees</td>
<td>111,929,622</td>
<td>25,919,815</td>
</tr>
</tbody>
</table>

**Other price risk**

Other price risk includes equity price risks which is the risk of changes in the fair value of equity securities as a result of changes in the value of individual certificates of closed end fund. The equity price risk exposure arises from investments in equity securities held by the Foundation for which prices in the future are uncertain. If the prices of certificates of closed end fund were increased / decreased by 5%, with all other variable held constant, the impact on assets and consequential impact on funds and reserves would be Rs. 682,180 (2008: Rs. 1,405,792).

There is no sensitivity effect on income and expenditure account as the Foundation has no quoted equity securities classified as 'fair value through profit or loss'.

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22.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or other counter parties to fulfill their obligations.

The credit risk of the Foundation mainly arises from its investments in debt securities representing failure of the investee companies in repayment of principal and / or the interest due on such investments. The Foundation is also exposed to counterparty credit risk on cash and cash equivalents, deposits and other receivable balances. The Foundation has no significant concentration of credit risk.

Credit risk management

The Foundation assesses all counterparties for credit risk before contracting with them. It is the Foundation policy to enter into financial contracts with reputable and creditworthy counterparties The Foundation kept its funds in banks having credit rating ranging from A+ to AA+. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Foundation uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery.

The maximum exposure to credit risk before any credit enhancements at 30 June is the carrying amount of the financial assets as set out below.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued income and other receivables</td>
<td>1,699,847</td>
<td>1,153,163</td>
</tr>
<tr>
<td>Short term investments</td>
<td>10,000,000</td>
<td>12,258,000</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>158,770,718</td>
<td>142,224,479</td>
</tr>
<tr>
<td><strong>Rupees</strong></td>
<td><strong>170,470,565</strong></td>
<td><strong>155,635,642</strong></td>
</tr>
</tbody>
</table>

None of the above financial assets were considered to be past due or impaired in 2009 and 2008.

The analysis below summarises the credit quality of the Foundation's investment in Term Finance Certificates.

Debt Securities by rating category

<table>
<thead>
<tr>
<th>Rating</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>37.33%</td>
<td>50.94%</td>
</tr>
<tr>
<td>AA-</td>
<td>54.85%</td>
<td>49.06%</td>
</tr>
<tr>
<td>A+</td>
<td>7.82%</td>
<td>-</td>
</tr>
</tbody>
</table>

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund’s total credit exposure. The Fund’s portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

22.3 Liquidity risk

Liquidity risk is the risk that Foundation will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Foundation believes that it is not exposed to any significant level of liquidity risk.

22.4 Fair value of financial instruments

The carrying values of all the financial instruments reflected in the financial statements approximates their fair value.

22.5 Fund management

The Foundation is funded by contributions received from its members and donors from different sections of society within and outside Pakistan.

The Foundation is a company limited by guarantee having no share capital and is not exposed to any externally imposed capital requirements.
23. **MOVEMENT BETWEEN DEFICIT OF INCOME OVER EXPENDITURE FOR THE YEAR TO GENERAL FUND**

The Board of Director in their meeting held on **09 OCT 2009** has proposed to transfer an amount of Rs.86,963,169 representing deficit of income over expenditure for the year to general fund.

24. **CORRESPONDING FIGURES**

Previous year's figures are re-arranged and re-classified wherever necessary for the purpose of comparison.

Major changes made for better presentation during the year are as follows:

<table>
<thead>
<tr>
<th>Reclassification from component</th>
<th>Reclassification to component</th>
<th>(Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>Scholarships / subsidies to TCF schools</td>
<td>2,564,686</td>
</tr>
<tr>
<td>Salaries and other benefits</td>
<td>Repairs and maintainence</td>
<td>204,000</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>Advertisement</td>
<td>1,308,332</td>
</tr>
</tbody>
</table>

25. **DATE OF AUTHORISATION**

These financial statements were authorised for issue in the Board of Directors meeting held on **09 OCT 2009**

[Signatures: Chief Executive Officer and Director]
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TCF MOVEMENT!

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TCF Contact Information

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Lubna Farooq

STCF Faisalabad Chapter
Nageen Faiq
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The Citizens Foundation
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www.tcf.org.uk

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The Citizens Foundation
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Tel: 1-877-4TCF-USA (482-3872)
www.tcfusa.org

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Ph: 905-607-3666 / 1-888-467-2552

Bahrain
Ali Mirza

Note: Contact TCF Team Members locally and internationally at: info@thecitizensfoundation.org
Reaching out to TCF

Cheques and Bank Drafts: Cheques and Bank Drafts may be mailed to any of the following addresses:

**Pakistan**: The Citizens Foundation
7th Floor, NIC Building, Abbaspur Shaheed Rd,
Karachi-75530.

UAE: Sarah Sheeraz Siddiqui
The Citizens Foundation
Office No. 14, 1st floor,
International Humanitarian City,
Al Khail Road, off first Interchange,
Sheikh Zayed Road,
P.O.Box # 506007, Dubai, U.A.E.

UK: Hina Suleman
Lyon House
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Canada: Aziz Raka/Najma Khan
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Mississauga, Ontario,
L5L 2T2, Canada.

**USA**: Danial Noorani/Uneza Akhter
The Citizens Foundation
1350 Remington Rd, Suite A,
Schaumburg, IL 60173, USA.

Deposits or Direct Bank Transfers

Deposits or direct bank transfers can be made to our accounts in any of the below mentioned countries. If you use this mode of making donations, kindly send us a letter communicating your address and donation details to the address of that country:

**Pakistan**
Account Title: The Citizens Foundation
Bank: Askari Bank Ltd., Clifton Branch, Karachi
Account no (PKR): 011650046-1
Account no (USD): 15-020460016-9
Swift Code: ASCMPKKA

Account Title: The Citizens Foundation
Account no (PKR): 1003-0081-052119-01-6 (Zakat)
1003-0081-052119-02-7
Account no (USD): 1003-0418-053822-75-5
Swift Code: BAHLPKKA

**Canada**
Account Title: The Citizens Foundation, Canada
Bank: RBC Royal Bank,
Shoppes of Unionville 10-4261 Hwy 7 Unionville, ON L3R 1L5
Account no: 06032-1047059

**UAE**
Account Title: The Citizens Foundation
Bank: Habib Bank AG Zurich,
Main Branch, Bentayas Square, P.O Box: 3306, Diera, Dubai.
Account no (UAE Dirhams): 020101-20430-105-266861
Account no (USD): 020101-20430-333-266861
Swift Code: HBZUABAD

USA
For wire instructions please contact
Danial Noorani or Uneza Akhtar.

UK
Account Title: Friends of The Citizens Foundation
Bank: HSBC Bank plc,
Leadenhall Market, 95 Grace church Street,
London EC3V-0DQ
Sort no: 40-04-12
Account no: 71415255
Name of Charity: Friends of The Citizens Foundation
Charities Commission no: 1087864

Online Donations
www.thecitizensfoundation.org
using your VISA/MASTER credit card

Donations to TCF Pakistan are approved for tax deduction U/S 2(36)(c) of the income tax ordinance, 2001. All donations to FTC-UK are tax deductible for UK basic and higher rate taxpayers under the Gift Aid Scheme. All donations to TCF USA, are tax deductible. Tax Identification no. is 41-2046295. TCF Canada is registered by the Canada Revenue Agency Charity and all donations made are tax exempted.

Your help will go a long way in helping us change lives...
Beaming faces. III & IV graders of TCF High School, Shirin Sultan Dossa Campus XVI, Qaumiabad, Karachi, with their teacher Meher Beggum.

This picture represents a continuation of our promise to take children off the streets and into purpose-built-schools. TCF Family continues to grow as 80,000 children today and thousands of children tomorrow will enter TCF Schools in their neighbourhoods…