Vision

Positive Change

To remove barriers of class and privilege to make the citizens of Pakistan agents of positive change.

Mission

Quality Education

Through the power of quality education enabling moral, spiritual and intellectual enlightenment.

Better Future

Creating opportunities to improve quality of life.

Values

Integrity
Ownership
Continuous Improvement
“God doth guide whom He will to His Light.”
AHQuran-Chapter 24, Verse 35

His sheer benevolence upon those whose hearts are alight with the compassion to serve.
In 1996 the flight of light took off from the bleakest urban slums of Pakistan’s largest city Karachi.

>> The first TCF Primary School in Machar Colony (1996)
“Light gives of itself freely, filling all available space. It gives of itself and is not thereby diminished.”

1998 marked the year when TCF education program expanded from Karachi’s urban slums and started to illuminate Punjab. TCF opened its first schools in the villages of Burki, Halioki and Pind Warraich.

>> TCF Primary School, Pind Warraich
“Dare to reach out your hand into the darkness, to pull another hand into the light.”

1999 witnessed TCF initiating secondary education. After 34 primary school units, the first secondary school unit was established at Umer Maingal Goth, Karachi.

>> TCF Secondary School, Umer Maingal Goth
“First we receive the light, then we impart it. Thus we repair the world.”

Serious and worthy efforts to promote schooling for girls are taking place. With 50% female enrollment, the full significance of this trend will begin to shape itself into a meaningful impact over years to come.

>> TCF School, Mauripur, Karachi
“It’s the night that makes the dawning.  
It’s the depths that make the heights.  
It’s the darkness that gives birth to Light.”

From mammoth destruction, arose the will to alter lives. October 8, 2005 brought with it one of the worst earthquakes to have ever hit Pakistan and Azad Jammu & Kashmir (AJ&K). TCF understood that what the traumatized children needed was infinitely more precious than food or clothing. They needed their schools back - their semblance of sanity; their refuge from chaos and heartache. To date, TCF has established 30 school units in earthquake hit areas.

>> TCF Primary School, Kingran, Muzaffarabad, AJ&K
“There they are, the stars, shining in order like a living hymn, written in light.”

In 2003, the maiden generation of 90 students earned their matriculate from TCF schools around Karachi and Lahore. From 2003 to 2010, 1,891 students have passed their secondary schools from all over Pakistan.

Annual Reports are not meant to recount challenges, but chronicle successes so even if projects take long and logistics are complex TCF’s 660 School Units and 92,000 enrolled children are a testament to its determination to shine light on as many horizons as possible.

>> TCF Secondary School, Qayyumabad, Karachi
LIGHT

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Every man must decide whether he will walk in the light of creative altruism or in the darkness of destructive selfishness.

Martin Luther King, Jr.

"Darkness cannot drive out darkness; only light can do that..." so stated revolutionary Martin Luther King, Jr. who led one of the biggest and most historical civil movements to bring about a social change and alter mindsets. The inception of every social movement begins with a dream, an envisioned concept. The inception of The Citizens Foundation (TCF) is based on a dream, a dream to drive away the darkness of illiteracy and light the pathway for a literate, progressive Pakistan. This dream was shared by a group of Pakistan friends residing in the business capital of the country, Karachi. Distressed by the dismal state of education in Pakistan, this group got together and ventured into the formation of a non-profit company. In September 1996, TCF was formed as a company Limited by Guarantee and registered with the Security and Exchange Commission of Pakistan.

In developing countries, quality education is a luxury for a poor man’s child. Having witnessed too many small children in the streets, begging, tolling away their childhood & innocence, the founding directors of TCF chose a formal schooling model for youngsters. They built the first five schools from their own funds. With the successful completion of the first academic session, certain guiding values and principles had been firmly established for all times to come.

Now 15 years later, 660 purpose-built TCF school units are providing formal quality education to 92,000 girls & boys across hundreds of urban slums and rural areas in Pakistan and Azad Jammu & Kashmir. TCF has a female faculty of 4,800 members. TCF Education Team organizes an extensive Pre-Service Training (PRES) for its new staff every year and a regular In-Service Training (INSET) every summer to keep the existing faculty abreast with new trends and research in pedagogy and content.
Today, as one of the largest non-profit organizations of Pakistan, TCF is providing formal quality education to the lowest stratum of the society. TCF practices pay-as-you-can-afford system where a parent can pay as low 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.

TCF is helping illuminate Pakistan with the radiance of education. TCF Team is propelled by a commitment to excellence - attracting the best and the brightest to join to create a meaningful and enduring change.
Welcome to TCF Schools

It means the structure should stand up robustly, it should be useful and function well for the people using it and it should delight people and raise their spirits. If you have ever visited a TCF School, you will experience a fulfillment of these three attributes.

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

As of 2010, there are 660 TCF School Units operating in far-flung localities welcoming 92,000 youngsters.

Whether they are sandy colored structures, red bricked or special earthquake-resistant buildings, each campus reflects similar quality and comfort. Every TCF school has roomy, well-fitted classrooms, proper desks and chairs, a play area and an adequately stocked library.

All TCF schools are therefore purpose-built with essential facilities such as clean toilets, electricity and clean drinking water.

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

A standard TCF Secondary School has an estimated covered area of 13,000-14,000 sqfeet 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 the National Curriculum with additional strands to enrich our syllabi. To implement this curriculum effectively in our schools, teachers’ guides 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 are nurtured to maximize their potential.

TCF takes pride in its schools and welcomes you to visit them and share with our team your insight. We await your valuable, candid comments.

For more information, log on to official TCF Website www.thecitizensfoundation.org.
TCF Statistics

Growth Pattern:
This reflects the way TCF has progressed over the years. The light started spreading with the first five schools and continues to spread across with 660 school units...

<table>
<thead>
<tr>
<th>Year</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>800</td>
</tr>
<tr>
<td>1998</td>
<td>3,000</td>
</tr>
<tr>
<td>2000</td>
<td>6,400</td>
</tr>
<tr>
<td>2002</td>
<td>11,500</td>
</tr>
<tr>
<td>2004</td>
<td>21,000</td>
</tr>
<tr>
<td>2006</td>
<td>38,000</td>
</tr>
<tr>
<td>2008</td>
<td>65,000</td>
</tr>
<tr>
<td>2010</td>
<td>92,000</td>
</tr>
</tbody>
</table>

91.5% Education Program

Expense Pattern
Education Program includes all direct school expenses. Program Administration includes all support expenses of head office.

8.5% Program Administration
Receipts Pattern:
This graph containing receipts pattern includes donations for school support, children’s education (KG to Matric), building schools and other incomes.

Donations received for TCF relief operations are not reported in this graph.
## Financial Highlights (2006-2010)

For the year ended 30 June, 2010

### Operating Results (Rupees in million)

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Income (excluding earthquake relief)</td>
<td>717.4</td>
<td>606.5</td>
<td>491.5</td>
<td>302.9</td>
<td>239.4</td>
</tr>
<tr>
<td>Expenditure (excluding earthquake relief)</td>
<td>735.5</td>
<td>654.5</td>
<td>447.8</td>
<td>345.3</td>
<td>275.4</td>
</tr>
<tr>
<td>Surplus/deficit of income over expenditure other than earthquake relief</td>
<td>-18.1</td>
<td>-48.0</td>
<td>437.1</td>
<td>42.4</td>
<td>36.0</td>
</tr>
</tbody>
</table>

### Financial Position (Rupees in millions)

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>373.7</td>
<td>201.3</td>
<td>184.6</td>
<td>157.6</td>
<td>400.8</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>456.7</td>
<td>47.8</td>
<td>50.0</td>
<td>57.2</td>
<td>52.0</td>
</tr>
<tr>
<td>Funds and Liabilities</td>
<td>2,798.8</td>
<td>2,408.8</td>
<td>2,137.8</td>
<td>1,823.6</td>
<td>1,189.2</td>
</tr>
<tr>
<td>Non - Current Assets</td>
<td>2,470.7</td>
<td>2,255.3</td>
<td>2,096.3</td>
<td>1,663.2</td>
<td>1,173.3</td>
</tr>
<tr>
<td>Total Assets</td>
<td>5,269.5</td>
<td>4,664.1</td>
<td>4,234.1</td>
<td>3,486.8</td>
<td>2,272.1</td>
</tr>
</tbody>
</table>

### Other data

- **Depreciation (Rupees in million)** 163.7, 139.7, 107.8, 79.9, 56.8
- **Amortization of intangible asset (Rupees in million)** 0.3, 0.5, 0.3, 0.04, 0.0
Members of TCF General Body

Mr. Ahsan M. Saleem  
(Date of Joining: 29/09/1996)

Mr. Ateed Riaz  
(Date of Joining: 29/09/1996)

Mr. Mushtaq K. Chhapra  
(Date of Joining: 29/09/1996)

Mr. Rashid Abdulla  
(Date of Joining: 29/09/1996)

Lt General (R) Sabeeh Qamar-uz-Zaman  
(Date of Joining: 29/09/1996)

Mr. Ishaque Noor  
(Date of Joining: 20/04/2004)

Mr. Adnan Asdar  
(Date of Joining: 31/10/2007)

Mr. Shahid Abdulla  
(Date of Joining: 31/10/2007)

Ms. Nilofer Saeed  
(Date of Joining: 08/05/2008)

Ms. Bushra Tayyab Afzal  
(Date of Joining: 08/05/2008)

Mr. Pir Farid Ahsanuddin  
(Date of Joining: 08/05/2008)

Mr. Imtiaz Doosa  
(Date of Joining: 08/05/2008)

Mr. Shahab Haider  
(Date of Joining: 08/05/2008)
18-year-old Nazeem Husain Amin is the first student from TCF who has made it to the Institute of Business Administration (IBA). Nazeem’s eldest sister Usma (centre) is a TCF teacher at TCF Primary School in Sairande, Karachi. The youngest sister Saba (right) has received a silver medal from TCF for her Matriculation result.

“I want to work in an international firm. I also want to set up a school in my village which will provide education free of cost to all children,” shares Shafid Masihz. He was a student at TCF School – Engrao Campus in Dahiwar. He has completed his Certified Accountants Technician Program from the School of Business Studies. He plans to pursue ACCA.

Having finished her intermediate, Uroosa Yousuf is now applying at different universities. She is hoping to get a scholarship to fulfill her dream of studying computer science from NED University in Karachi. “I will be the first engineer in my family,” she proudly exclaims.

Through TCF, Uroosa obtained an opportunity to do an internship at Barclays Bank in 2004, which she eagerly took up. She recalls it as a wonderful experience that increased her confidence and self-belief. “My skills and abilities are as good as any girl my age from any background and ethnicity,” Uroosa confidently states.

10-year-old Morgan’s favorite things are chocolates & dolls. Her mother, a physically weak lady, is mostly bedridden. One of nine siblings, she is also one of the most brilliant students at TCF Primary School, Hawaian Bay Campus. “I want to be a scientist when I grow up.” The sparkles of confidence in Morgan’s eyes re-affirm one’s faith in the power of quality education.
To support his family, 9-year-old Arshad Alam works in a shop from 8am till 12 pm. He then rushes to attend his school as a Grade 3 student in TCF Primary School - Vehari Campus (Morning Shift) in Multan Colony. After school, he goes back to the shop.

Arshad is keen on sports. His favourite subject is mathematics. Numerous TCF students like Arshad are earning to support their families but these young agents of positive change never miss out on school.

In Qasim Swatkhel, TCF Primary School - Sports Campus is successfully operating since 2000, with classes full of the neighborhood’s little girls and boys. One of the most admired students is V Grade’s Ayesha Naz - a 10-year-old girl who held first position in Grade IV.

Ayesha wants to be a ‘storyteller’ when she grows up. Her favorite subject is English.

A student of TCF School - Bhittialb Road Campus, Hira Taj always had the zest to aim high. She gave the Lycra University aptitude test twice, passing it both times. However, due to financial difficulties, she could not join the university. She turned to TCF for scholarship and when it came through, she was ecstatic about being able to attend Lycra University to study Economics in January 2010.

One day, Hira hopes to head her own company.

Zahoor Ahmad was a student of TCF School - Cantonje Campus. Currently, he is pursuing a Bachelor of Electrical Engineering programme from Bahria University.

Zahoor aims to attain a degree in MS and MBA and to work in a multinational company.

Abdul Qasim is studying at FAST University in Karachi. He aims to complete his degree in marketing and to continue further education in the form of an MBA from abroad.

Abdul Qasim was a student at TCF School - Engro Campus, Dabangi, Sindh.
Board of Directors

The Directors have met regularly to provide guidance and support for which we record our appreciation and thanks. This year marks a shift in the Board of Directors as we welcome Founding Director Mr. Mushtaq K. Chhipra to be our elected Chairperson for the remaining term of the Board. Furthermore, Ms. Nilofer Saeed, a Member of General Body TCF, has been inducted as a Director in place of late Arshad Abdulla, Chairman and Founding Director of TCF. Mr. Arshad Abdulla was a source of inspiration and a driving force for TCF Family. May Allah grant a heavenly abode to the departed soul. He leaves behind a bereaved TCF family. May Allah rest his soul in peace. Ameen.

The newly inducted Ms. Nilofer Saeed has recently been presented with the Women Entrepreneurship Momentum Award for 2010. As Co-Vice-Chairperson of Supporters of The Citizens Foundation (STCF) she has greatly contributed to the sustainability of the organization by garnering widespread support. Through her organizational capabilities, she along with STCF team members, have managed extensive annual events, media campaigns, etc. She brings with her more than two decades of management and entrepreneurial experience through running her own business. Besides TCF, she has been keenly involved in numerous charities as well. On behalf of TCF family we welcome Ms. Saeed onboard. Election of Directors was held on April 12, 2010 and all seven of the retiring directors were elected unopposed whose term of office will expire on April 12, 2013.

The Executive Committee

The Executive Committee ("the EC") has been instituted by TCF Board of Directors ("the Board") in its meeting held on November 12, 2001. The terms of reference mainly defines Objective, Membership / composition, Frequency of meeting / Quorum and Key responsibilities of the EC.

The objective is to keep the Directors updated with the projects and progress of the operations of TCF and also to assist the Board in advising TCF management for overall improvement.

The EC comprises of 3 to 4 directors and Chief Executive Officer.

The EC meets at pre-agreed levels. Frequency of the EC meeting is to be decided by the EC members.
Key responsibilities of EC includes:

- Review progress of projects and operating activities of TCF.
- Review overall progress of the quality of education in TCF schools.
- Assist the Board in respect of various steps for improvement in the overall performance by the TCF management.
- Advise TCF management on behalf of the Board for improving efficiency in overall performance.
- Recommend to the Board for the approval of annual Construction and Procurement Plan and other significant matters.
- Any other task assigned by the Board.

Audit Committee

The Committee comprises five members, all of whom are in Non-Executive capacity of the Company. The terms of references of the Audit Committee is 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 department of the Company in order for them to provide the Management and Board of the Company with an independent, objective evaluation of their operations, procedures and controls.
- Provides the Board with an oversight of the internal audit department in the Company to assure that an effective internal audit function is in place system wide, which includes a risk based annual and long range audit plan, a reporting mechanism and quality control plan.
- Provides assistance to the Board in fulfilling its oversight responsibility relating to integrating of the financial statements, financial reporting, review and evaluate procedure established to comply with laws and regulations and to monitor compliance thereof.

Human Resources and Compensation Committee

The purpose of the Human Resources and Compensation Committee (the ‘Committee’) is to assist the Board in fulfilling its obligations relating to human resources and compensation policy and related matters and to establish a plan of continuity and development of senior management for TCF.

The Committee comprises four members headed by the Chief Executive Officer with at least two Non-Executive Directors and a Vice President as ex-official member of the Committee.

The Secretary to the Committee shall be the Company Secretary or as nominated by CEO.

Any officer of the Company or any other person including advisor or consultant can be co-opted as a member of HRCRC with the consent of the Committee.

The Committee shall:

a). Review and recommend the TCF’s compensation and benefits philosophy, strategy, and guidelines and review their compliance with applicable laws.

b). Review and recommend to the Board the TCF’s strategy regarding human resources management and planning, including recruitment, retention, training, performance management and related matters.
and to report to the Board on the implementation of these strategies at least once a year.

c). Review with the President and Chief Executive Officer (the ‘CEO’) the Foundation’s strategy for succession planning across all management levels and ensure that comprehensive succession plans are in place for senior executive positions.

d). In consultation with the CEO, review and recommend the annual salary plan, increments etc. for all TCF staff members,

e). Recommend a performance evaluation process for the CEO and, when approved, ensure the process is implemented.

f). The Committee shall report to the Board every four months a year with respect to its activities and decisions. The Committee shall meet at least three times each year. Meetings are called at the discretion of the Chair but normally take place every quarter.
Profile of the Board of Directors

01 Ahsan M. Saleem
Founding member on the Board of Directors of TCF, he has also served as Chairman of TCF 1998-2006. Mr. Ahsan Saleem is Chief Executive Officer of Crescent Steel & Allied Products Limited. He is also presently serving on the Board of several listed companies.

02 Ateed Riaz
Founding member on the Board of Directors of TCF, he has been Chief Executive Officer (in honorary capacity) of TCF from July 2002 till May 2005. Mr. Ateed Riaz has been looking after the operations of the Imrooz Association of Companies which include First Imrooz Modaraba and Tarseed Private Limited.

03 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 Bitha Group) United Arab Emirates.

04 Mustaq K. Chhapa
Founding Member on the Board of Directors of TCF and currently Chairman TCF, Mr. Mustaq Chhapa is also Honorary Consul General of The Royal Nepalese Embassy in Karachi. He is serving as Director of various companies / corporations including Coastal Trading, CBM Plastics, Transpak (Pvt) Ltd, Coastal Synthetics (Pvt) Ltd, Multipaper Products (Pvt) Ltd., and Coastal Converters (Pvt) Ltd.

05 Nilofer Saeed
Inducted as a Director in place of Late, Arshad Abdullah. Ms. Nilofer is an entrepreneur and a successful businesswoman and has been presented with the Women Entrepreneurship Momentum Award for 2010. She had been keenly involved in numerous charities as well. As Co-Vice-Chairperson of Supporters of The Citizens Foundation (STCF) she has greatly contributed to the sustainability of the Foundation.

06 Rashid Abdullah
Founding Member on the Board of Directors of TCF. Mr. Rashid Abdullah is a leading businessman and a philanthropist by heart. He holds directorships in several companies of IBL / UBL Group.

07 Lt. Gen. (Retd) Sabeek Qamaruz Zaman
Lt. Gen. (Retd) Sabeek Qamaruz 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. He was awarded Hilal-e-Imtiaz for distinguished service in the Pakistan Army.
Chairman’s Review and Directors’ Report
The directors are pleased to submit their statutory report together with audited financial statements of The Citizens Foundation for the year ended June 30, 2010.

The new academic session from April 2010 has welcomed 92,000 deserving children. Our momentum of opening new schools has reached another landmark with 60 new school units in far-flung locations including rural areas like Lillah in Pindadun Khan, Tando Muhammad Khan, Dhirkot in Muzaffarabad, Sanjhor in Sanghar and Sumgali in Quetta.

TCF Education Program resonates with success as this year’s matriculation results show 48% students securing grades A and A+.

We are grateful to the All Merciful with whose benevolence we have collectively been able to progress and maintain our credibility. We would like to thank all TCF Donors and Supporters who have helped us come this far. Supporters of TCF across the globe are spreading awareness and new members are joining TCF International Family. A pleasant addition this year was that of the enthusiastic Geneva group. Incessant efforts of supporters made it possible for Pakistani expatriates in Geneva to come together for the Cause and discover TCF Education Program and its vast network spread across Pakistan.

International acclaim received by TCF includes its documentary Hope Against All Odds, being nominated for the "Best Production of 2009" in the Feature Documentary category of the United Arab Emirates-ITP Digital Studio Awards 2010. Furthermore, TCF has been honored by the South Asian Federation of Accountants (SAFA) for the third consecutive year as TCF Annual Report 2008 has been declared a winner in the Non-Governmental Organizations Category.

**Grade-wise break up of Matric Students 2009-10**

- A Grade: 39%
- A+ Grade: 9%
- B Grade: 38%
- C Grade: 13%
- D Grade: 1%
Operating Results

The operating results of the Foundation as detailed in the Income and Expenditure Account for the year ended 30 June 2010, shows a deficit of income over expenditure amounting to Rs. 25,191,733. This includes a deficit of income over expenditure amounting to Rs. 7,051,638 in respect of earthquake relief operations. Keeping overheads to a minimum, 91.5% 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 & 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 judgment.
- 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 Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance 1984 shall prevail.
- 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.

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 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 codes of ethics, as adopted by ICAP. The Audit Committee and the Board of Directors of the Company have endorsed their appointment for members’ consideration at the forthcoming annual general meeting.

Chairman

Director
15 years ago providing formal quality education to thousands of children was a dream shared by few. Today we are operating 502 primary and 158 secondary school units in rural areas and urban slums.

The light of literacy illuminates a country’s pathway to progress. To spread this light in Pakistan, TCF team is continuing its challenging journey. I am pleased to report that the year under review has witnessed TCF providing formal quality education to 92,000 deserving children. More than a decade ago when the first few campuses were being built, educating thousands of children was a dream shared by a few. Today, as TCF completes its 16th year of operation, I take pride in reporting that we are now operating 502 primary school units and 158 secondary school units in hundreds of far-flung rural areas and urban slums across Pakistan and Azad Jammu & Kashmir.

As TCF further expands its outreach, the challenges associated with managing an extensive network of schools also grows manifold. While we already benefit from an experienced and competent management team, we have recently initiated the implementation of a new MIS that we call School Management System (SMS). Through SMS we are able to collect all relevant data related to schools on one platform. The system is being implemented in phases and the first phase has been launched during the fourth quarter of this year. SMS is designed to facilitate the internal planning process as well as enable the availability of up-to-date information to all relevant decision makers. The implementation of a robust information system ties in perfectly with our value of “Continuous Improvement” through even better school administration and smarter decision making.

Our vision is ‘Positive Change’ - removing barriers of class and privilege to make the citizens of Pakistan agents of positive change. Accordingly, the main objective of TCF is the core development of students - the young agents of positive change.
Hence, our key criterion for success is not what teachers have taught but what students have learnt. While we build students' confidence level and concentrate on the values being ingrained, our focus remains on the development of the foundation of listening, reading, thinking and writing.

A systematic centralized examination process is in place to analyze students' competencies. Since one of the indicators of quality education is students' performance during the year and in the examination, we have chosen Average Percentage Result (APR) as a key performance indicator (KPI) for ourselves.

TCF is committed to consistently work towards further improving the Education Program. A great deal of thought has gone into narrowing down the essence of quality education. We believe it comprises five Cs that are:

1. Conceptual Knowledge
2. Communication Skills
3. Creative & Critical Thinking
4. Confidence
5. Core Values

With an increase in the number of our schools, new teachers and principals are also welcomed onboard. This year, against 626 posts, there were around 4,500 female candidates who turned up for hiring sessions organized by our HR and Regional Teams. Interviews were organized in numerous locations across the country including Sanghar, Larkana, Tando Adam, Khairpur, Sohawa, Lillah, Talagang, Manshara, Battal, Battagram Muzaffarabad, Jhelum, Chakwal, Khushab, Quetta, Peshawar, Zafarwal, Mian Channu, Bhurewala, Khanewal, Jhang, Kotri, Sukkur, Jacobabad, Faisalabad, Muzaffargarh and Keni Bandar. With the onset of Academic Session 2010, there are 4,800 principals and teachers educating TCF students.

Every child who makes it from the streets into our school is a success story and a source of pride for us. From within these students, there are a number of graduates who are doing exceedingly well. TCF Alumni Program facilitates students after Matriculation and seeks scholarships and sponsorships for deserving graduates. Some TCF graduates like Shahid Dino Burio and Barkat Ali Malik have made it to Dawood Engineering University, Nadeem Hussain is the first TCF student who has made it to the most prestigious business school in the country, Institute of Business Administration (IBA). Sanam Burio is pursuing a degree in Biochemistry from the University of Karachi while Ifnaz

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**Growth Trend in TCF Staff**

<table>
<thead>
<tr>
<th>Year</th>
<th>Office Staff</th>
<th>Faculty Staff</th>
<th>School Support Staff</th>
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<tr>
<td>2010</td>
<td>4,800</td>
<td>270</td>
<td>1,930</td>
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</table>
Zafar is studying for a degree in Philosophy from the same university. Mohammad Zohaib, Sunil Kumar, Mohendar Kumar, Azeema Sadia and Hira Taj are some of those TCF students who are now pursuing business degrees at leading institutes including College of Business Management (CBM), Bahria University and Iqra University. Moomal Bughio is going to be the first vet among TCF graduates. She is studying at The Sindh Agricultural University in Tando Jam, Sindh. This annual report carries similar success stories of young ‘agents of positive change’.

TCF Alumni team has strengthened ties with The Hunar Foundation (THF). The two organizations have joined hands to equip students with technical skills. An MOU was formally signed for a mutually beneficial partnership to provide a range of vocational skills to deserving boys who have an aptitude for technical education. THF has been operating since January 2010 and majority of students at THF are former TCF students. Almost 70 TCF students have been enrolled this year.

This year, our country faced a massive catastrophe when floodwater displaced more than 20 million people and submerged nearly a fifth of Pakistan’s land. The damage to infrastructure, livestock and crops amounts to billions of rupees. The human impact of this flood has exceeded that of the earthquake that struck Pakistan in 2005. As an involved and committed member of society and of the areas where TCF network exists, the team rolled up its sleeves and plunged in to provide immediate relief. During the Holy month of Ramadan, TCF provided 20 million meals to the flood affectees. This annual report provides coverage of the relief operation. My humble & deepest gratitude goes out to the citizens of Pakistan within the country and globally who contributed generously in this time of dire need. TCF owes its success to every single individual who has joined the movement and worked compassionately to further the cause. My appreciation goes out to thousands of volunteers, friends and supporters in Pakistan as well as in USA, UAE, Saudi Arabia, Qatar, Kuwait, UK, Switzerland, Canada, Bahrain, Singapore and Hong Kong, etc. who are committed to TCF and continue to create awareness and raise funds for the Program.

Syed Asaad Ayub Ahmad
Chief Executive Officer
October, 2010
T CF Management

Standing (Left-Right) : Sultan Abbas, Moazzam Muhammad Khan, Cdre(R) Misbahuddin Chohan, Brig(R) Tariq Ali Khan, Lt, Col(R) Agha Mahmood, Lt, Col(R) M Anwar Awan, Riaz Kamalani, Malik Muhammad Khalid, Khawaja Bakhtiar Ahmed, Dr, Ahson Raobani, Brig(R) M Anwar Khan

Sitting (Left-Right) : Rabia Khan, Rahila Fatima Shaki, Neelam Habib, Syed Asaad Ayub Ahmad, Seema Chapra, Taibah Shahzad

Chief Executive Officer
• Syed Asaad Ayub Ahmad

Vice Presidents
• Dr, Ahson Raobani (Retired)
• Khawaja Bakhtiar Ahmed (CFO)
• Riaz Ahmed Kamalani (Outcomes)

Company Secretary
• Mohammed Amin

Head of Resource Mobilization
• Rabia Ahmed Khan

Head of Human Resources
• Seema Chapra

Head of Engineering
• M, I, AI

Financial Controller
• Malik Muhammad Khalid

Regional Managers
• Brig(R) Tariq Ali Khan
• Brig(R) M Anwar Khan
• Lt, Col(R) M Anwar Awan
• Cdre(R) Misbahuddin Chohan

Senior Manager Supply Chain
• Lt, Col(R) Agha Mahmood

Senior Manager Academics & Training
• Rahila Fatima Shaki

Manager Donor Relations
• Neelam Habib

Manager Marketing
• Taibah Shahzad

Manager Evaluation
• Sultan Abbas

Manager Information Technology
• Moazzam Muhammad Khan

Advisors
• Amina Khalid • Aneesa Naviwala • Faraz Siddiqui • Irfan Ali Hyder • Javed Malik • Qaiser Mian • Shamshad Nabi
Accolades for TCF

Upgraded rating

JCR-VIS Credit Rating Co Ltd, (JCR-VIS) has upgraded the Not for Profit Organization (NPO) governance rating of TCF to ‘GR 8+’ from ‘GR 8’. These ratings are based on a scale ranging from GR-1 (lowest) to GR-10 (highest). The assigned rating denotes a ‘high level of governance’. This ranking enhancement has been done in recognition of the significant improvements in management controls, in spite of the high growth rate that TCF has experienced over the last few years.

JCR-VIS has recognized:

- Notable improvement in management practices, organization hierarchy and internal controls of TCF.
- The Foundation’s ability to provide quality education and its efficacy in generating mobilizing funds.
- The members of the supervisory board have continuously supported TCF in promoting the mission and vision of the Foundation.
- Growth in the number of schools.
- Growth in the enrolment of students - currently 92,000 students are enrolled in TCF schools.

TCF NPO governance ratings are based on a composite evaluation of the level of regulatory compliance, mission & program strength, governing body, executive management, utilization of funds & transparency, self-regulation and stakeholders’ relations.

Alhamdulillah JCR-VIS rating has further established the Foundation’s credibility and has boosted the team’s spirit.

Top ranking

As an independent non profit support organization, The Pakistan Centre for Philanthropy (PCP) seeks to facilitate altruistic efforts of national and international donors by establishing effective linkages between the donors and nonprofit civil society organizations. PCP’s certification model for evaluating Civil Society Organizations (CSOs) on the parameters of internal governance, financial transparency and service delivery serves to strengthen these CSOs institutionally which results in credible and efficiently run organizations. PCP’s CSO certification has come to be widely recognized and appreciated and an increasing number of government and international donors have made PCP certification mandatory for civil society organizations to be able to receive donor funds.

Currently, 167 organizations certified by PCP are delivering services in social sector development across the country and TCF takes pride at being ranked as one of the top NPOs by PCP. PCP’s certification model for evaluating an organization is based on three main categories, namely; Internal Governance, Financial Transparency and Program Delivery. These factors are collectively evaluated on a scale of maximum 1000 marks; after an in-depth review of the documents provided and a field visit to the relevant nonprofit organization.

TCF was initially certified by PCP in 2004. To date, TCF has maintained its position as one of the top scoring organizations while PCP has noted a further improvement in parameters shaping the certification model. The key strengths of TCF lie in its sound governance practices, astute financial management and finally, effectiveness of program delivery. In PCP’s own words, TCF has "continued to maintain high standards in all the three areas of Internal Governance, Financial Management and Program Delivery and has also made improvements in light of PCP’s earlier recommendations."
Flood water knew no boundaries...

“I was on duty at school. When I recall how the flood water came rushing towards our area, I thank God Almighty that my family was not with me and due to the summer holidays, there were no children inside the school. I tried to save as much school stationary and furniture as I could. I climbed up the first floor of the building to save my life. At that point I had no clue that I would be stuck there for the next seven days!”

- TCF watchman Berkhardar (TCF School - Alam Foundation Campus II, Khushab)

Berkhardar is one of the millions of flood victims across Pakistan. He was lucky enough to have some food ration with him that made him survive his week-long ordeal. Once the water receded from the school to about three feet, TCF area manager sent out his team to rescue Berkhardar. Not everyone was as lucky to survive this disaster.

In 2005, TCF went into earthquake relief because of the magnitude of the catastrophe and successfully reached out by building over 6,000 winter shelters and 2,500 homes. The human impact of this flood has exceeded that of the earthquake and as an involved and committed part of society and of the areas where TCF school network exists, TCF team decided to contribute.
Right: TCF School in Muzaffargarh before the flood hit the area.
Below: The same school photographed after the flood created havoc.
Phase I

Emergency Flood Relief - 20 million meals.

For the displaced brethren, TCF decided to provide food packages and water purifying packs. The team set itself a target of distributing 100,000 ration packs - one pack per family of five-six members (about 20 million meals) during the Holy month of Ramadan. This was a four-week project which included fundraising, procurement, transportation and distribution. TCF was able to distribute 20 million meals into 26 cities across the four provinces:

KHYBER PAKHTUNKHWA
1.Charsadda
2. Nowshera
3. Peshawar
4. Risalpur
5. Swat

PUNJAB
1. Baseera
2. Jhang
3. Khanpur
4. Kot Addu
5. Mahmood Kot
6. Mianwali
7. Qasba Gujrat
8. Shahpur/ Jauharabad

BALOCHISTAN
1. Dera Murad Jamali
2. Hub
3. Jafariabad

SINDH
1. Karachi
2. Keti Bandar/ Thatta
3. Khairpur
4. Kotri/ Hyderabad
5. Moro/New Jatoi
6. Ranipur
7. Sajawal
8. Shikarpur
9. Sukkur
10. Dadu

Distribution Strategy

1. Schools
TCF used its schools as center points to distribute ration packages to flood-affected people.
- who took shelter in TCF schools e.g. Khanpur
- who came from nearby camps to collect rations
- in the vicinity using TCF vans e.g. Kot Addu

2. Trapped
Using boats and helicopters, TCF worked with the Navy and Army to supply ready-to-eat meals and ration packs to people who were trapped in the floods e.g. Shikarpur

3. Roadside
TCF distributed food items to people sitting on roadside and river banks. This was done where TCF had enough manpower to ensure proper distribution e.g. Muzaffargarh

4. Camps
TCF supplied dry rations for cooking to military camps and reputable NGOs in areas like Sukkur, New Jatoi and Mianwali.

Ahmadullah, with continuous support from generous donors and citizens across the country and abroad, TCF met its target of distributing 20 million meals before Eid. Like the earthquake relief project, all the donations received in the name of TCF Flood Relief were accounted separately. No funds from TCF Education Program were diverted towards Flood Relief Fund.
Phase II

Back to School

“In Mianwall, there are about five teachers as well as Principal Qamar Noor of Khawja Rehman Campus, who reside by the river. Their homes were flooded and water remained in their homes for four to five days. They were rescued by their relatives - in fact, the principal was rescued in a boat by her relatives,” shares Ms. Razia, Education Manager, TCF North West Region. Not just TCF faculty, there are more than 60 TCF school units that have been affected.

In phase II TCF plans to:

1. Rehabilitate 60+ TCF school units in flood affected areas

TCF has entered the phase of rehabilitation of these school units. Estimated cost of rehabilitation per school unit is approximately Rs. 850,000. Detailed survey has been conducted and as a result numerous structural damages need to be taken care of.

These campuses require:

- Cleaning and paint work
- Wooden fixtures replacement
- New sewerage/septic and underground water tank
- Repairing damaged boundary wall
- Masonry work

Rs.10,000 to support the education of a student for an entire year.

3. Supply food rations to people returning to their homes

TCF is also distributing food rations to families returning back to their native areas. One ration package suffices for a family of five-six members for a period of one month.

Phase III

Construction of new schools

Rural pockets of Pakistan are already deprived of a sound education infrastructure. On top of it, this catastrophe has destroyed or severely damaged several public, private, government and non-profit schools that were struggling to fulfill the education needs. Now that water has receded, displaced people are gradually returning back to their homes and they are bound to experience a severe shortage of schools. TCF has pledged to construct new schools specifically targeting communities in the flood affected areas. This will boost the education infrastructure and help affectedees re-build their lives and future.

Kindly send your cross cheques & bank drafts to:
The Citizens Foundation, 7th Floor,
NIC Building, Abbasi Shaheed Road, Karachi - 75530

For queries write to: info@thecitizensfoundation.org

You can also call: +92 111-823-823
Initiatives in Education Program

- Books Development Project
- Critical Thinking Program
- Principals’ Academy - Passion to Lead
- Highlights from Monitoring & Evaluation Team
- Sixth TCF Awards
- TCF team member at Plymouth State University
TCF is more of a journey than a mere destination - both at an individual as well as at a team level. This year the Academics and Training Team moved along even further. The team launched three distinct initiatives: books development projects to bring quality and efficacy in implementation of the national curriculum; intensive training program for principals; and a critical thinking training program for teachers.

**Books Development Project**

At TCF, the teaching of English is emphasized from the very beginning. Keeping in view the worldwide importance of the English language and the special context and needs of TCF schools, the Academic Team took the initiative of developing skill based, context specific books and workbooks for primary schools. These books aim at promoting reading with understanding, leading to the enhancement of thinking & writing skills. The content is enhanced with colorful illustrations and interesting and engaging activities for students. A key feature of this project was to develop detailed and comprehensive teachers’ guides from KG to grade V having micro-planning for each unit and grammatical concept.

These guides not only support the English Language Teachers (ELTs) in improving their competency but also ensure quality input for the students. Although recently introduced, the feedback on these books and teachers’ guides has been very encouraging.

**Critical Thinking Program**

The Academic Team regards education as a means and not an end. Therefore, the aim is to nurture creativity, exploration and reflection in young minds. This year TCF collaborated with Open Society Institute (OSI) to implement “Critical Thinking Program” for all teaching staff. OSI has designed this program to help teachers inculcate critical thinking skills in students. It works around the content of languages, Math and Science creating opportunities for students to explore, understand and learn different concepts and skills.

The program, as mentioned in Teaching and Learning Strategies for the Thinking Classrooms by Alan Crawford, Wendy Saul, Samuel R. Mathews and James Makinster, encourages students to “ask questions and look for answers, to apply what they have learned in order to solve problems, to listen to each other and debate ideas politely and constructively - this is the teaching that students can use in their lives”. The program was launched in 1997 and so far, more than 50,000 teachers have been trained in 32 countries. This Critical Thinking program has been implemented across 41 venues for all 4,800 TCF faculty members.
Principals’ Academy - Passion to Lead

TCF principals are the fundamental link in the entire process of teaching and learning. They interpret, understand and inculcate the vision of TCF and values in schools. A special training program for the principals was initiated this year. The Principals’ Academy training focused on the themes of leadership, team building, communication skills, and motivation. A key feature of the program was developing School Improvement Plans (SIP) for respective schools. This tool not only gives principals an opportunity to negotiate and decide which areas to focus more to enhance quality of education, but also foster ownership and the desire for continuous improvement. The training was well received throughout and served as a platform for our principals to achieve continuing excellence in school leadership.

Highlights from Monitoring & Evaluation Team

This academic year witnessed Monitoring and Evaluation Team undertaking different initiatives. These included development of central examination papers. The rationale of introducing centralized examination papers is to set quality benchmarks across TCF Schools. Extensive audit mechanisms were developed to ensure transparency in the implementation of policies and procedures defined for invigilation, checking answer scripts and record keeping of assessment. A disciplinary committee was formed for smoothly conducting central examination.

School Management System (SMS) examination module has been developed to preserve assessment records of all TCF schools. These results are further compiled and Average Performance Result (APR) of each school is calculated for future consultation in terms of improving the quality of education.

Sixth TCF Awards

Teaching is like creating and planting a garden. Inside the haven of schools, teachers are entirely responsible for nurturing young minds. At TCF, teachers form the linchpin of education program. The compassion and hard work with which they teach their students is reflected when these children from less privileged strata grow into confident, polite, well-groomed members of the society.

TCF Awards are held every year to recognize the hard work and dedication of TCF Faculty. 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 Matric and post Matric results awards (for schools and colleges).
A training session at Qayyumabad, Karachi

TCF Training Center, Mansehra, Khyber Pakhtunkhwa
This year, the Sixth TCF Award ceremony was held at Khushab, Rawalpindi, Karachi, Lahore, Faisalabad, Khanewal and Qasba Gujrat.

The awards ceremony held in Khushab on February 2, welcomed 200 TCF Faculty & Regional members. The ceremony held in Rawalpindi on February 25, had 180 guests while the event in Karachi held on April 8, welcomed more than 1,900 guests at the Bahria Auditorium. The audience was shown TCF Documentary “Hope Against All Odds” and TCF Teachers cheered on with a surge of pride.

The Bahria Auditorium reverberated with applause when TCF trainers were honored as their names were announced. A TCF Principal Mairaj Fatima was recognized for winning “Nestle’s Women of Strength” Award while primary teachers Ms. Almas Begum (from Peace Campus, Sheedi Goth) and Ms. Hameeda Ghani (from Alfia Agha Campus 1, Goth Dhani Buksh) were recognized for winning Anita Gujral Ali (AGA) World Teachers’ Day Awards. AGA Awards’ purpose is to reposition and upgrade the status of outstanding teachers in our society by recognizing their capabilities and dedication. Ms. Almas Begum and Ms. Hameeda Ghani respectively won second and third prize among teachers from different institutes all across Pakistan. A total of 177 entries were received for the AGA Awards, out of which 10 were finalized.

During the TCF Awards Ceremony, Sirra Intiaz, a student from Rasheedabad Campus, was called on stage and acknowledged for winning a Gold Medal at an Art Competition held by Pfizer, one of the world’s largest pharmaceutical companies.

Diligent TCF Teams from South Regional Office, South West Regional Office and Head Office came together to prepare for the biggest TCF Event of the year.

TCF team member at Plymouth State University

One of the Training Team members, Amra Younas was selected to attend a one month In-Service Professional Development Training Program at Plymouth State University, New Hampshire, USA, from July 4 to August 4, 2009. The Pakistani Educational Leadership Institute (PELI) at Plymouth State University, in collaboration with its Pakistani partner Icara-e-Taleem-e-Aagahi (ITA) has been hosting 20 Pakistani educators annually who learn about American innovation in education.
Paving the path of light for young mentees

“My wife and I joined Rahbar for the first time in October 2009 at Phengah (Lahore, Punjab). Right from day one, Rahbar was a great experience. After the first session, we felt that while helping our mentees to become responsible citizens, it was Rahbar’s environment that was making us better citizens. By the time Rahbar ended, the feeling that we were doing voluntary work was completely superseded by the feeling that it is one of our primary obligations as citizens to join Rahbar. Here we would also like to share something unusual. From the second session onwards we felt so comfortable with our mentees and our fellow mentors that we decided to take our one year daughter Isra with us on Rahbar sessions. Since then, Isra is called ‘chowta mentor’ by everyone who knows us at The Citizens Foundation. Looking back, we feel that Rahbar is one of our most rewarding and enjoyable philanthropic experiences,” share Ahmed Bashir and Abeer Ahmed (Ahmed is a lawyer by profession and his wife Abeer is a housewife.)

Who is a ‘Rahbar’?

We believe that a Rahbar (mentor) is a visionary. Rahbar in the traditional concept means, ‘A person who enlightens, illumines, guides, paves the path of light for the dutiful disciple leaving his footprints on the sands of time.’ In line with this, the role of a Rahbar is to guide the mentee in a journey of self-discovery to help develop a sense of self, a vision for his/her future, the ability to develop and implement a plan to realize this vision and the capacity to deal with the occasional failure that he/she might inadvertently confront on this journey.

TCF successfully launched a mentoring program ‘Rahbar’ for secondary students - aimed at personality enrichment and development of teenagers and guiding them to become responsible members of their communities. Rahbar’s pilot program was launched in 2008 in Karachi at TCF High School - Cowasjee Campus in Maujpur. That first phase of Rahbar involved 69 Grade VIII students and 20 volunteers from different professions who dedicated every weekend for eight weeks to mentor TCF VIII graders. Subsequently Rahbar was also launched in Lahore in January 2009.

This year in May, Rahbar program successfully concluded its fifth phase in Karachi and third phase in Lahore in June. One of the mentors involved in Karachi’s fifth phase, Ms. Raheel Jafri, Engineer at Pakistan State Oil shares, “Rahbar program has been an eye opener for me and has reinforced my trust in NGOs working in Pakistan. In the eight wonderful weeks as a Rahbar, I was not only able to mentor a group of five very smart girls but also learnt a lot from them. I would strongly recommend this program to anyone who wishes to play a part for a prosperous and educated Pakistan.”

Rahbar was held at 10 schools in Karachi and involved 550 students and 130 volunteer-mentors of different age groups from various professions. In Karachi, the vibrant concluding ceremony was held on June 5 at Sheikh Zayed Islamic Centre, University of Karachi. The Ceremony started with performances by students and ended with certificates being distributed to mentors and coordinators. After that, the children led their mentors to a hall where they gave them handmade gifts and cards to express their sentiments. The ceremony was covered by The Express Tribune. Talking to its correspondent, TCF Vice President Riaz Ahmed Kamil shared how the idea was initiated when people offered their help. “We realized that we don’t need money for such a program: just a group of sensitive, good people,” he said. “We had never imagined that our students would get so much in return.”

In Lahore, the project concluded on 29th May. It was held at four secondary schools and involved 150 students & 50 volunteer-mentors.
Salute to Volunteerism

Summer Camp 2009 & 2010

In July 2009, about 275 youngsters from leading educational institutes across Pakistan and overseas, volunteered for TCF Summer Camp 2009. The camp - July 13-28 - was conducted at 14 schools in Karachi and 6 schools of Lahore. Dedicated volunteers were trained specifically for the camp to conduct interactive Science lessons and English Language lessons for Secondary schools’ students. Pottery was also taught at some TCF Campuses in Karachi. Three volunteers (students of Indus Valley School of Art & Architecture) conducted the pottery camp. At the end of the camp, volunteers arranged farewell parties at their respective schools.

This year in June, Summer Camp was organized for Primary students of grade III-V. It was held at 20 schools in Karachi and 6 schools around Lahore. Stimulating board games, writing essays & poems and interactive reading sessions made TCF Summer Camp a memorable period for more than 3,000 young students and almost 300 volunteers involved in carrying out these activities. They were designed and developed entirely by the volunteers. The Thinking program was planned using the concept of ‘Six Hats’ by Edward de Bono. The Six Hats methodology states that any issue or situation can be looked at from six angles or vantage points. One puts on six different thinking hats to analyze something. White Hat stands for factual information; Red Hat for emotions; feelings; intuition; Black Hat means risks; Yellow Hat stands for benefits and hope; Green Hat is for creative possibilities and Blue Hat for reflection and analysis on the thinking process. All this was simplified for the age group in mind and translated into Urdu. During play time, an organization, “Super Kids”, which runs sports training programs at distinguished private schools, sent out its trainers as part of the activities. Volunteer recruitment and program planning was carried out under the guidance and support of volunteer advisors.

Real life heroes

Hero Speaker Program was launched last year to inspire TCF secondary school students to overcome their circumstantial difficulties and fulfill their true potential. The pattern of this program is such that self-made, individuals who have led their lives courageously are invited to the schools to share their experiences with a large group of students. This year real life heroes included professionals from academic, corporate background and media industry. They were invited to share their life’s stories at schools in Umar Maingal Goth, Israfil Goth, Fahad Goth, Youvsa Sahib Khan Goth, Mulla Essa Goth, Jam Kando Goth, Sarhindi Goth, Taiser Town, Ittehad Town and Gulshan-e-Zia Colony.
LUMS, TCF and Theatre

TCF Team in Lahore has got Pakistan’s leading business school LUMS onboard and students from LUMS have time and again volunteered for different interactive programs.

In January, some students from LUMS volunteered at TCF Primary School in Loharlu for a theatrical project. Live group performance via theatre is one genre of art that is not only physically & emotionally challenging, but it also builds team spirit. Theatre project ‘Hum Rung’ did just that among TCF IV Graders. For four weeks, LUMS Students trained TCF IV Graders and then staged a lively play. The volunteers also arranged an art competition among students and gave away prizes. For secondary students in Loharlu, MBA students of LUMS organized a workshop titled Leaders-of-Tomorrow. This interactive workshop focused on leadership skills. During the session, young Leaders of Tomorrow were also engaged in role-playing activities.

G4S Spreading Happiness

Around 200 students in Karachi from TCF Primary Schools in Shah Faisal & Bilal Colony had an exciting time on March 03 at the popular Safari Park - thanks to TCF Supporters, G4S Security, Pakistan. This ‘Happy Day’ is annually organized for children by G4S Volunteers. Lots of treats including bus tour of Safari Zoo, chairlift rides, different games, delicious lunch and souvenirs made this day extra special and memorable.

Earth Day with Mobilink

In April, all TCF Schools throughout Pakistan celebrated “Earth Day”. Volunteers from Mobilink made their mark by arranging various “cleaning activities” for TCF Students. Seven TCF schools participated from Karachi, Hyderabad, Lahore, Islamabad and Faisalabad. Their activity points were Mazaar-e-Quaid, Raani Park, Minar-e-Pakistan, Rawal Lake & D-Ground respectively. About 300 students took part in these interactive activities where volunteers helped them clean these popular public spots.

We want a Green World!

It was all about ‘Mother Nature’ on 18th May at TCF School in Dhamial, Rawalpindi. About 30 volunteers from Ufone spent the day with students discussing the importance of contributing towards one’s environment-friendly neighborhood and school. Volunteers and students planted different saplings & seeds around the campus.
Golfers changing the course of young lives

Annually, TCF has been organizing a sponsored golf tournament in Karachi to raise funds for the Cause. This year for the sixth time in a row, TCF beckoned its sport enthusiasts to an exciting weekend at Karachi Golf Club (KGC) on December 05-06, 2009 as TCF Annual Golf Tournament took off on a mild winter morning. The event hosted 75 teams representing local and multinational institutions, as well as individuals who had come together to support TCF. Over 300 golfers participated in the tournament. The categories included Amateurs, Seniors, Veterans, Ladies and Team Events. The Team Event Winner was Pakistan State Oil (PSO) and Reckitt & Benckiser Team was declared the Runners up. Mr. Danish Feroz claimed the Longest Drive and Mrs. Myung Hee Yoo was declared the Ladies Event Winner.
Amateur Event Winner was Brig. Anis Ahmed W/Cdr, Feiz Mehd, captured the Senior Event; Veterans Title was clinched by Col. M. K. Burki. The winners were presented with TCF Shields as souvenirs. TCF Teams from Head Office, South and West Regions worked to make this tournament a success. Enough funds were raised through this tournament to support the running cost of three TCF primary schools for an entire year.

**TCF Zakat Drive**

Every year, with the onset of the Holy month of Ramadan, TCF strives further to promote its cause and collect Zakat for supporting education for its deserving students. One’s generous donation to “Support-A-Child” (SAC) is an invaluable gift for an entire family whose youngsters get the chance to alter their lives for the better. This Ramadan too, TCF team launched its Zakat Drive with zest. Zakat boards were placed at various strategic locations throughout Pakistan, Special Zakat pledge forms were designed and distributed to the corporate sector, to encourage MNCs, banks, clubs and educational institutions to participate. TCF Team is immensely grateful to all gracious partners who supported the Zakat Drive.

Well into its sixth year, the Aagahi Adult Literacy Program, previously known as Jugnoo, is a collaborative annual project by TCF and National Foods Ltd. - focused on educating women from lowest rung of the society where TCF is operating its school units.

Every year, before the onset of the program, TCF teachers discuss Aagahi with their students who literally carry this message of light with them. Their mothers, aunts and numerous women from the neighborhood grasp the chance at reliving their lives! Aagahi is aimed at enabling these women to read and write in Urdu and be able to perform day to day simple mathematical calculations. Curriculum for these adult students and training to TCF teachers is provided by Literate Pakistan Foundation.

Over the past five years, this literacy program has helped thousands of women to read and write. This year, the first session started in January - held at 38 centers across all four regions of Pakistan. Around 615 women appeared for the final examination of which 588 were able to pass out successfully. The second Aagahi session was held in April at 36 locations across Pakistan and educated over 600 keen learners.

Aagahi students have reported life-changing experiences because of this program. A student shared, “I felt this surge of self-confidence that I had never experienced before. Also I felt that my family and my in-laws started respecting me in a way that was not apparent before. I have applied for my National Identity Card, I can now bargain with shopkeepers more confidently and calculate the change due to me and now when I go to buy medicines I know exactly what I am getting and always read the expiry date.” Many women shared with their teachers that education has helped improve the way they have been managing their household. They calculate proper budgets and keep a track of daily expenditure. At a personal level too, these women are able to apply themselves more productively. They can write letters to their relatives living far away; they use signatures instead of thumbprints, and it is a joy for them to participate in the education of their children.
Support-a-Child needs your continuous patronage. To donate online please check www.thecitizensfoundation.org
ERS UNITE
TCF Canada Update

TCF Canada’s team has sought to build upon last year’s success when TCF Canada was officially recognized as a charity by Canada Revenue Agency. This recognition led to an increase in both the number of donors and the amount of the donations in 2010.

TCF Canada welcomes onboard new directors, Ms. Navin Husain and Mr. Mansoor Naqi and the team expresses gratitude for their years of dedicated service and contributions to the Cause.

TCF Canada Team comprises 15 active executive members who have put together an organizational structure, an online donations system and spell out future aims and goals. Other new executive members include Vice President Mr. Aurangzeb Faruqi, Secretary Mr. Sami Bin Saad, Treasurer Mr. Atif Mujahid, Mr. Kamran Niazi who is specifically working on Organisation Structure and Controls and Mr. Sajid Salman who is looking after Media and Marketing. KPMG Canada is the Chapter’s official auditing team.

By increasing its marketing activities, TCF Canada is focused on creating awareness and welcoming new supporters across Canada to take the Movement forward. Some coordinators will also be positioned in major cities. An extensive Marketing Plan is being worked upon - soon to be shared with Canadian print media.

TCF Canada has posted its audited accounts on its website: http://www.tcfcanada.org

Annual Gala

On March 6, TCF Canada held its Annual Gala dinner at the historic Granite Club in Toronto. Over 400 guests attended the event and raised donations for TCF. Following the dinner, several awards were presented to major donors, TCF Canada’s representative Ms. Saadia Awan, the Consul General of Pakistan, Sahebzada A Khan, President TCF Canada Mr. Aziz Rakda and Director Najma Shamsi also addressed the gathering.

Mississauga Marathon

It was a sunny day that welcomed TCF enthusiasts to join in some outdoor fun. Kamran Niazi led TCF Canada as the team took part in Mississauga Marathon to raise awareness about TCF and its activities among the general Canadian public.
Supporters of TCF (STCF) in Pakistan: Roundup

STCF initiated the idea of organizing mini fundraisers. As part of their mini fundraisers, Hi teas and auctions were organized in Karachi and Faisalabad, a series of stalls were put up at Sunday bazar in Karachi and an exciting treasure ‘Hunt-a-Thon’ was also held in Karachi. Organized by dedicated ladies and their circle of friends, these numerous activities were able to generate impressive funds for TCF Education Program. STCF expresses heartfelt gratitude to those ardent supporters who gave their homes to hold events, who dedicated their time and compassionately worked to guarantee the success of these fundraisers.

STCF Team came up with an unusual event in March: a Theatre Festival was organized in collaboration with Katha Theatre featuring three plays with different themes. TCF students were also part of this fundraiser and displayed their Art & Craft, Science Projects and were called on stage to share stories with the audience. Lahore and Faisalabad followed suit and held one of the plays in their respective cities in April.

This year, STCF Team held a series of meetings with Habib Bank Limited who later came on board to generously donate for building a new TCF School.

A school inspection pilot project has been initiated with the purpose of providing guidance to the schools. STCF volunteers will be making regular visits to their chosen schools, inspect them and provide feedback to the office.

STCF got Kids and Co. School and The Indus Motors Company on board. Kids and Co, has offered apprenticeship opportunity as teacher’s aide for 12 TCF female students for an entire year commencing August 2010. The Indus Motors Company Road Safety Art Competition is now in its third year. The Company organizes this competition among TCF schools and gives away certificates and gifts to the winners. This year’s prize distribution ceremony was held in May. The winning paintings will be used to make Indus Motor’s calendar.
TCF Board of Directors has given a mandate to TCF-UAE to increase its presence in the Gulf region. After establishing the Oman Chapter in 2008, this year witnessed the successful launch of Kuwait and Qatar Chapters. With its presence in Bahrain and Saudi Arabia, TCF-UAE now has a formidable presence in Middle East to create awareness and call upon the local communities in the region to become part of the Movement. Furthermore, ardent TCF Supporter Mrs. Sameena Ahmad has re-organized the TCF-UAE Ladies Group, which now meets regularly to promote the Cause.

Kuwait

In September during Ramadan, Mr. Nawal Ahmed hosted a Ghabka (Suhour) for about 150 guests at the Holiday Inn Hotel in Kuwait City to introduce TCF to the community. Guests of honor were His Excellency Ithikhar Aziz, Ambassador of Pakistan to Kuwait, and Mr. Naser Abdul Mohsin Al-Marr, Deputy Chairman and Managing Director - Noor Financial Investment Co.

Qatar

In November, The Pakistan Arts Society of Qatar headed by Mr. Tariq Masoud and Mr. Adiel Akbar organized a meeting & screening of TCF Documentary at the Millennium Hotel, Doha. A positive vibe echoed among the guests as they viewed “Hope Against All Odds”. Post screening, a lot of compliments and queries were exchanged and many individuals pledged their support for the cause.

Oman

Coordinated by Mrs. Hajra Hao, the Oman Chapter, with assistance from the local community, is sponsoring a TCF School the “Oman Campus”, in Balochistan.

Supporters Conference & Dinner

In pursuit of its goal to generate support for TCF in UAE, the Chapter organized a Supporters Conference & Dinner on February 3, 2010 at the Al Murcoj Rotana Hotel in Dubai. The event was attended by over 450 distinguished guests including luminaries Ms. Makiya Abdulrahim Al Haji, CEO of International Humanitarian City, Dubai, Mr. Tariq Mohammad Saleh Al Gurg, CEO of Dubai Cares, His Excellency Javed Malik, Pakistan’s Ambassador at Large and The Honourable Amjad Ali Sher, Consul General of Pakistan to UAE.

Nepal Trek

In April, TCF-UAE held its fourth annual trek. This year the challenge was the Annapurna Circuit in Nepal with a white-water rafting challenge through the Trisuli River. A team of 15 enthusiasts embarked upon a 7-day adventure that helped raise support for one TCF School for an entire year.
Friends of TCF (FTCF - UK)
Supporters of TCF have strengthened the Network especially in Manchester, London and Newcastle. In addition to its staple rota of events, TCF Team has made significant progress in accessing higher number of corporate and institutional donors. TCF would like to thank a large number of generous institutional donors who wish to remain anonymous. TCF would also like to thank Vodafone for assisting through its “World of Difference” Programme and Nomura for supporting four TCF school units.

This year the successful annual Kilimanjaro trek was attended by 24 participants, with a large contingent from Singapore. TCF also raised a pool of donations through the popular 10K running event mirroring the route planned for the 2012 London Olympics Marathon. By the grace of God, the Team was able to raise a lot of funds in the Holy month of Ramadan. Furthermore TCF also managed to commence a school twinning programme between UK and TCF schools during the year under review.

The funds raised and grants provided by TCF have paid for about 12.5% of the total operating expenditure of TCF which amounts to the full running costs of 75 TCF schools teaching 10,000 less privileged students. Specifically the build grants given to TCF went towards constructing four new schools which became operational with the commencement of the new academic session in Pakistan in April. Since 2001, TCF donors have helped build 35 TCF schools. None of this would have been possible without the amazing generosity of UK donors, to whom TCF Team remains ever-grateful.
News from TCF-USA

TCF Manager Donor Relations Ms. Neelam Habib with ardent TCF-USA Supporter Mr. Mateen Halder. He has been bestowed with “Public Service Award” by the USA Government. Declared as an exemplary citizen of Connecticut State, he has mobilized the local Rotary Club, Rotary International and The Pakistani American Community of Connecticut to generously donate to TCF.
Four American educators, three of whom were Peace Corps alumni with fond memories of working in Pakistan in the early sixties, designed a Summer Science Camp experience for TCF students. The goal was to make science fun while giving children an experience in inquiry-based learning, using a hands-on approach to experiments. In July 2009, these American volunteers traveled to Karachi and trained TCF Faculty and the young volunteers who were involved in managing the summer camp. Hundreds of TCF students participated and thoroughly enjoyed the experience. TCF-USA support groups have been busy creating awareness and collecting funds for the continued growth of TCF Network.

In Connecticut

Supporters continued the tradition of holding their grand annual event for TCF-USA, The Rotary Club of South Windsor, CT, The Sunset Millennium Rotary Club, their respective Rotary Districts and the Rotary Foundation joined hands to support a TCF School for an entire year.

From New York & New Jersey

A big boost was the support of Ambassador Abdullah Hussain Haroon, Pakistan’s representative to the United Nations. An elegant dinner was held at the Ambassador’s residence, the attendees were given an update on the progress of TCF and all of them reaffirmed their support for the Cause.

In New Jersey, a dinner and comedy show were held in Edison. It was a ‘full house’ night. Comedian Beo Akhtar had the crowd in stitches.

For the past one year, the Jersey Community has united to build a TCF School called the ‘NJ Campus’ in the village of Talagang in Chakwal District, Punjab. A New Jersey resident with roots in Chakwal donated land and initial funds with the faith that all his friends and neighbors would join him in this venture. The school is now a reality and began its first session in May this year.

Seattle Update

Several individuals and groups such as the one of Microsoft employees have donated four schools in the past to TCF Program. A year ago a formal TCF Support Group was formed and they started raising funds for a campus to be known as “Seattle One”. Amazingly, in a very short timeframe this group is now working on “Seattle Three”. The youngest Seattle area donor is a grade VI student Sana Moazzam. In her letter which accompanied her donation, Sana’s description of the work that TCF does was: “making children happy”.

In Northern California

Realizing that the TCF program has now grown to 660 school units, this group decided to focus on raising funds for school operations. “Educating 1000 children in 2010” was the group’s slogan. A successful event was held and partnerships with other Pakistani organizations were formed. As a result, several TCF schools will be covered for operating funds by this group of dedicated supporters’ efforts.

Southern California ‘flying high’.

A Basant Mela complete with desi food and colorful kites bearing TCF logo has become an annual feature in a Los Angeles area park. Around 500 guests celebrated “basant”. It was a vibrant event with the community attired brightly - their faces aglow - and the kites all over up in the sky. All contributions went towards supporting TCF.

In Santa Monica, for the second year in a row, Zanbeel Art Gallery displayed the work of TCF students during the South Asian American Art Festival. This year the gallery also sponsored comedy shows to benefit TCF.

Supporters in San Diego held a TCF awareness session and organized an evening of Qawwals at the Qualcomm company auditorium.

From Washington DC

TCF-USA supporters in Washington, D.C. came together to hold the first D.C. Chapter Gala at Ritz Carlton, Crystal City, VA. This fully sold-out charity event was attended by nearly 400 members representing the diverse communities of the Nation’s capital. Founding Director & Chairman TCF Mr. Mushaq Chhapa, was the evening’s keynote speaker at this event that raised funds to build a new TCF School. Part of the event was a hugely successful live auction, set up by the event’s generous sponsors.

“Seeds of Learning”

“Seeds of Learning” organization, Pakistani-American parents assisted by their children, organized a fun event to continue their support for a TCF School called the “Campus of Hope” in Mansehra.
FINAN
CIALS
Auditors' Report to the Members

We have audited the annexed balance sheet of The Citizens Foundation ("the Foundation") as at 30 June 2010 and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in funds and reserves together with the notes forming part thereof, (hereinafter referred to as the 'financial statements') 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 financial 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 financial statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial 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 account 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 except for the change as described in note 2.5 with which we concur;
   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 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, statement of comprehensive income, 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 the information 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 2010 and of the deficit, its cash flows and changes in fund 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: 8 November 2010

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
### ASSETS

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2,392,198,453</td>
<td>2,184,884,315</td>
</tr>
<tr>
<td>Intangible asset</td>
<td>2,165,516</td>
<td>997,359</td>
</tr>
<tr>
<td>Long term investments</td>
<td>73,970,453</td>
<td>67,189,697</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>2,413,334</td>
<td>2,243,334</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,470,747,756</td>
<td>2,255,314,705</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances, deposits and prepayments</td>
<td>25,993,559</td>
<td>30,700,799</td>
</tr>
<tr>
<td>Accrued income and other receivables</td>
<td>2,308,973</td>
<td>1,830,602</td>
</tr>
<tr>
<td>Short term investments</td>
<td>9,996,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>335,401,944</td>
<td>158,800,560</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>373,700,476</td>
<td>201,331,961</td>
</tr>
<tr>
<td><strong>Funds and Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital fund</td>
<td>1,400,000</td>
<td>1,300,000</td>
</tr>
<tr>
<td>General fund</td>
<td>780,909,635</td>
<td>867,872,804</td>
</tr>
<tr>
<td>Deficit of income over expenditure for the year</td>
<td>(25,191,733)</td>
<td>(86,963,169)</td>
</tr>
<tr>
<td>Unrealised gain / (loss) on revaluation of available for sale investments</td>
<td>5,282,316</td>
<td>(28,291)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>762,400,218</td>
<td>782,181,344</td>
</tr>
<tr>
<td>Endowment fund</td>
<td>101,046,350</td>
<td>69,351,782</td>
</tr>
<tr>
<td>Deferred income</td>
<td>1,935,431,439</td>
<td>1,557,307,690</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>45,570,225</td>
<td>47,805,850</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Rupees**

<table>
<thead>
<tr>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,844,448,232</td>
<td>2,456,646,666</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 26 form an integral part of these financial statements.
# Income and Expenditure Account

For the year ended 30 June 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>16</td>
<td>692,997,047</td>
</tr>
<tr>
<td>Income on investments</td>
<td></td>
<td>8,735,514</td>
</tr>
<tr>
<td>Profit on bank accounts</td>
<td></td>
<td>5,922,509</td>
</tr>
<tr>
<td>Exchange gain</td>
<td></td>
<td>738,762</td>
</tr>
<tr>
<td>Capital gain on sale of investment - net</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Gain on disposal of fixed assets</td>
<td></td>
<td>7,872,460</td>
</tr>
<tr>
<td>Dividend income</td>
<td></td>
<td>1,089,000</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>717,355,292</strong></td>
<td><strong>606,487,473</strong></td>
</tr>
</tbody>
</table>

| Expenditure: | | |
| Scholarships / subsidies to TCF schools | 17 | 414,161,821 | 377,572,018 |
| Salaries and other benefits | 18 | 75,891,166 | 67,317,367 |
| Fund raising expenses | 19 | 17,015,071 | 2,374,234 |
| Teachers' training | | 15,523,220 | 11,844,675 |
| Vehicle running and maintenance | | 9,492,867 | 8,143,486 |
| Repairs and maintenance | | 2,344,720 | 2,768,990 |
| Travelling and conveyance - staff | | 3,251,894 | 1,776,837 |
| Utilities and communication | | 5,845,126 | 4,931,310 |
| Insurance | | 503,610 | 447,711 |
| Printing and stationary | | 3,160,560 | 3,712,170 |
| Advertisement | 20 | 10,833,668 | 2,126,497 |
| Depreciation | 4/1 | 163,736,657 | 139,733,289 |
| Amortization of intangible assets | 5/1 | 343,083 | 336,750 |
| Fee and subscriptions | | 224,704 | 565,820 |
| Office rent | | 10,333,949 | 9,205,493 |
| Auditors' remuneration | | 113,000 | 85,125 |
| Professional charges | | 1,595,559 | 2,156,445 |
| Bank charges | | 501,170 | 523,327 |
| Office expenses | | 535,128 | 465,629 |
| Financial charges - leasing | | 88,414 | 79,673 |
| Provision for impairment loss on available for sale investments | | | |
| **Total Expense** | **735,495,387** | **654,484,933** |

**Deficit of income over expenditure:**
- Operations other than earthquake relief: (18,140,095)
- Donations - earthquake relief: 5,240,000
- Earthquake relief expenses: (12,291,638)
- **Deficit of income over expenditure - earthquake relief:** (7,051,638)
- **Deficit of income over expenditure for the year:** (25,191,733)

The annexed notes 1 to 26 form an integral part of these financial statements.

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**Chief Executive Officer**

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**Director**
# Statement of Comprehensive Income

For the year ended 30 June 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficit of income over expenditure for the year</td>
<td>(25,191,733)</td>
<td>(86,963,169)</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realised gain on disposal of available for sale investments</td>
<td>-</td>
<td>(8,756,282)</td>
</tr>
<tr>
<td>Unrealised gain / (loss) on remeasurement of available for sale investments</td>
<td>5,222,193</td>
<td>(16,490,630)</td>
</tr>
<tr>
<td>Impairment loss on available for sale investments</td>
<td>88,414</td>
<td>17,918,089</td>
</tr>
<tr>
<td><strong>Other comprehensive income / (loss) for the year</strong></td>
<td>5,310,607</td>
<td>(7,326,829)</td>
</tr>
<tr>
<td>Total comprehensive loss for the year Rupess.</td>
<td>(19,881,126)</td>
<td>(94,291,998)</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 26 form an integral part of these financial statements.
## Cash Flow Statement

For the year ended 30 June 2010

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>39,613,294</td>
<td>13,259,060</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>(170,000)</td>
<td>(642,751)</td>
</tr>
<tr>
<td>Net cash flows generated from operating activities</td>
<td>39,443,294</td>
<td>12,616,309</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(372,609,125)</td>
<td>(498,440,540)</td>
</tr>
<tr>
<td>Sales proceeds on disposal of fixed assets</td>
<td>7,919,550</td>
<td>4,535,449</td>
</tr>
<tr>
<td>Investments-net</td>
<td>(11,554,563)</td>
<td>82,897,340</td>
</tr>
<tr>
<td>Income on investments</td>
<td>8,425,246</td>
<td>5,781,933</td>
</tr>
<tr>
<td>Net cash flows used in investing activities</td>
<td>(367,818,892)</td>
<td>(405,225,758)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital fund</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Deferred income</td>
<td>463,182,414</td>
<td>408,017,045</td>
</tr>
<tr>
<td>Endowment fund</td>
<td>31,694,568</td>
<td>4,528,206</td>
</tr>
<tr>
<td>Payments of finance lease liabilities</td>
<td></td>
<td>(5,735,518)</td>
</tr>
<tr>
<td>Net cash flows from financing activities</td>
<td>494,976,982</td>
<td>406,909,733</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>166,601,384</td>
<td>14,300,284</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>168,800,560</td>
<td>154,500,276</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the year</td>
<td>335,401,944</td>
<td>168,800,560</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 26 form an integral part of these financial statements.
Statement of Changes in Funds & Reserves
For the year ended 30 June 2010

<table>
<thead>
<tr>
<th></th>
<th>Capital fund</th>
<th>General fund</th>
<th>Accumulated deficit</th>
<th>Un-utilised loss / gain on revaluation of available for sale investments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 30 June 2008</td>
<td>1,200,000</td>
<td>1,032,969,315</td>
<td>(150,070,453)</td>
<td>7,301,538</td>
<td>881,096,400</td>
</tr>
<tr>
<td>Transaction with members of the Foundation recognized directly in Funds &amp; Reserves for the year ended 30 June 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution by members of the Foundation and transfer to General Fund</td>
<td>100,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
</tr>
<tr>
<td>Transfer of deficit of income over expenditure to the general fund</td>
<td>-</td>
<td>(160,370,453)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from general fund to endowment fund</td>
<td>-</td>
<td>44,733,068</td>
<td>-</td>
<td>-</td>
<td>44,733,068</td>
</tr>
<tr>
<td>Total Comprehensive loss for the year</td>
<td>-</td>
<td>-</td>
<td>(86,963,69)</td>
<td>(86,963,69)</td>
<td>(86,963,69)</td>
</tr>
<tr>
<td>Balance as at 30 June 2009</td>
<td>1,300,000</td>
<td>982,436,254</td>
<td>(6,786,39)</td>
<td>(14,190,001)</td>
<td>782,191,344</td>
</tr>
<tr>
<td>Transaction with members of the Foundation recognized directly in Funds &amp; Reserves for the year ended 30 June 2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution by members of the Foundation and transfer to General Fund</td>
<td>100,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
</tr>
<tr>
<td>Transfer of deficit of income over expenditure to the general fund</td>
<td>-</td>
<td>(85,573,169)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer from general fund to endowment fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Comprehensive loss for the year</td>
<td>-</td>
<td>-</td>
<td>(5,191,733)</td>
<td>(5,191,733)</td>
<td>(5,191,733)</td>
</tr>
<tr>
<td>Balance as at 30 June 2010</td>
<td>1,400,000</td>
<td>780,843,525</td>
<td>(5,310,607)</td>
<td>(10,891,136)</td>
<td>762,402,318</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 26 form an integral part of these financial statements.
Notes to the Financial Statements
For the year ended 30 June 2010

1. LEGAL STATUS AND NATURE OF OPERATIONS

The Citizens Foundation ("the Foundation") was incorporated in Pakistan as a 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
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 Shafeed 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 (IFRS) issued by the International Accounting Standards Board as are notified
under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives
issued under the Companies Ordinance, 1984 shall prevail.

2.2 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.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupees which is also the Foundation's functional
currency and have been rounded off to the nearest Rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires
management to make estimates, assumptions and use judgments 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 judgments 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.

Judgments and estimates made by management that may have a significant risk of material
adjustments to the financial statements in subsequent years are as follows:
Operating fixed assets and intangible assets

The Foundation reviews the rate of depreciation, useful life, residual value 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 assets 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, judgment 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.

2.5 Changes in accounting policy

Starting 1 July 2009, the Foundation has changed its accounting policy as follows:

- IAS 1 (Revised) ‘Presentation of financial statements’ (effective from January 1, 2009): The revised standards separate member and non-members changes in statement of funds & reserves. The statement of changes in funds & reserves includes only details of transactions with members, with non-members statement of funds & reserves is presented in a reconciliation of each component funds & reserves.

Where entities restate or reclassify comparative information, they are required to present a restated balance sheet as at the beginning of comparative period in addition to the current requirement to present balance sheet at the end of the current period and comparative period. In addition, the standard introduces the statement of comprehensive income, which may be presented as one statement (i.e. the statement of comprehensive income) or two separate statements (i.e. income and expenditure account and statement of comprehensive income). The Foundation has preferred to present two statements: an income & expenditure account and the statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change in accounting policy only affect presentation of financial statements, there is no impact on deficit of income over expenditure for current year or previous years.

2.6 Other accounting developments

Disclosures pertaining to fair values and liquidity risk for financial instruments

The Foundation has applied Improving Disclosures about Financial Instruments (Amendments to IFRS 7), issued in March 2009, that require enhanced disclosures about fair value measurements and liquidity risk in respect of financial instruments.

Apart from above certain other standards, amendments to published standards and interpretations of accounting standards became effective during the year, however, they did not affect the Foundation’s financial statements.
2.7 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning on or after 1 July 2010 and are either not relevant to the Foundation’s operations or are not expected to have significant impact on the Foundation’s financial statements other than certain increased disclosures:

- **IFRS 2 (amendment): Share-based payments and withdrawal of IFRIC 8: Scope of IFRS 2 and IFRIC 11: Group and Treasury Share Transactions** (effective for annual periods beginning on or after 1 January 2010). Amendment provides guidance on the accounting for share-based payment transactions among group entities.

- **International Accounting Standard (IAS) 24 (revised): Related Party Disclosures** (effective for annual period beginning on or after 1 January 2011). The amendments to IAS 24 simplify the disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a government (referred to as government-related entities) and clarify the definition of a related party.

- **Amendments to IAS 32: Classification of Rights Issues** (effective for period beginning on or after 1 February 2010). Under the amendment to IAS 32, rights, options and warrants – otherwise meeting the definition of equity instruments in IAS 32.11 – issued to acquire a fixed number of an entity’s own non-derivative equity instruments for a fixed amount in any currency are classified as equity instruments, provided the offer is made pro-rata to all existing owners of the same class of the entity’s own non-derivative equity instruments.

- **IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments** (effective for period beginning on or after 1 July 2010). IFRIC 19 clarifies the accounting when an entity extinguishes the liability by issuing its own equity instruments to the creditor.

- **Amendments to IFRIC 14: Prepayment of a Minimum Funding Requirement** (effective for period beginning on or after 1 July 2011). IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction has been amended to remedy an unintended consequence of IFRIC 14 where entities are in some circumstances not permitted to recognise prepayments of minimum funding contributions, as an asset.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all years presented except for those disclosed in note 2.5 of the financial statements.

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 and expenditure accounts 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 an asset is available for intended use up to the date the asset is disposed of. Depreciation methods, useful lives and residual values are reviewed at each reporting date. Normal repairs and maintenance are charged in 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 reporting date. Assets are transferred to operating fixed assets when they are available for intended use.

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 recognized directly in the funds and reserves until derecognized 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 recognized in income & expenditure account except for equity instruments in which case it is recognized in statement of funds & reserves.

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 and 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 recognized 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 plus directly attributable cost. If any, and subsequently measured 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 recognised at the time when the Foundation becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Foundation loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised 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 recognised 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 recognised when the right to receive dividend is established.

Income on held to term finance certificates is recognised using the effective yield basis.

Income on deposit accounts and term deposits receipts are recognized on time proportion basis taking into account the effective yield.

Miscellaneous income is recognized on receipt basis.
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. However, provisions are reviewed at each balance sheet date and adjusted to reflect, current best estimate.

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 reporting date are translated into Pak Rupees at the rates of exchange prevailing on the reporting date. Exchange differences, if any, are included in income and expenditure account.

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 original 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.

<table>
<thead>
<tr>
<th>PROPERTY, PLANT AND EQUIPMENT</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating fixed assets</td>
<td>2,289,919,590</td>
<td>1,890,352,290</td>
</tr>
<tr>
<td>Capital work in progress</td>
<td>88,991,276</td>
<td>282,709,279</td>
</tr>
<tr>
<td>Advance for construction</td>
<td>5,661,078</td>
<td>8,649,082</td>
</tr>
<tr>
<td>Advance against purchase of operating fixed assets</td>
<td>7,626,509</td>
<td>3,173,664</td>
</tr>
</tbody>
</table>

Total: 2,392,198,453 | 2,184,884,315
###  4.1 Operating fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Date</th>
<th>No. 1</th>
<th>No. 2</th>
<th>No. 3</th>
<th>Total</th>
<th>No. 4</th>
<th>No. 5</th>
<th>No. 6</th>
<th>No. 7</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,234</td>
<td>567</td>
<td>890</td>
<td>2,681</td>
<td>345</td>
<td>678</td>
<td>901</td>
<td>1,234</td>
<td>2,681</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,234</td>
<td>567</td>
<td>890</td>
<td>2,681</td>
<td>345</td>
<td>678</td>
<td>901</td>
<td>1,234</td>
<td>2,681</td>
</tr>
</tbody>
</table>

### 4.2 Capital work in progress

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>123</td>
</tr>
<tr>
<td>B</td>
<td>456</td>
</tr>
<tr>
<td>C</td>
<td>789</td>
</tr>
</tbody>
</table>

### 5. Intangible assets

#### 5.1 Software

<table>
<thead>
<tr>
<th>License</th>
<th>Cost</th>
<th>Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>123</td>
<td>456</td>
</tr>
<tr>
<td>2</td>
<td>789</td>
<td>123</td>
</tr>
</tbody>
</table>

### Notes

- Please refer to the company's financial statements for detailed notes.
6. **LONG TERM INVESTMENTS**

### Held to maturity - Term finance certificates

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Bank Limited - Tranche II</td>
<td>9,998,000</td>
<td>9,998,400</td>
</tr>
<tr>
<td>United Bank Limited - Tranche III</td>
<td>9,986,000</td>
<td>9,990,000</td>
</tr>
<tr>
<td>Pakistan Mobile Communication Limited - Tranche II</td>
<td>19,888,160</td>
<td>19,111,427</td>
</tr>
<tr>
<td>Askari Bank Limited</td>
<td>10,256,505</td>
<td>10,260,615</td>
</tr>
<tr>
<td>NIB Bank Limited</td>
<td>4,996,000</td>
<td>4,185,560</td>
</tr>
<tr>
<td>Total</td>
<td>55,104,665</td>
<td>53,546,102</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>JS Value Fund</td>
<td>185,400</td>
<td>229,175</td>
</tr>
<tr>
<td>JS Large Capital Fund</td>
<td>1,744,625</td>
<td>1,276,655</td>
</tr>
<tr>
<td>Atlas Fund of Funds</td>
<td>2,776,000</td>
<td>2,082,000</td>
</tr>
<tr>
<td>Pakistan Strategic Allocation Fund</td>
<td>6,113,390</td>
<td>2,719,090</td>
</tr>
<tr>
<td>Mezzanine Balanced Fund</td>
<td>3,762,500</td>
<td>3,479,560</td>
</tr>
<tr>
<td>AND Income Fund (Growth Units)</td>
<td>507,303</td>
<td>472,455</td>
</tr>
<tr>
<td>JS Growth Fund</td>
<td>310,620</td>
<td>355,260</td>
</tr>
<tr>
<td>PICIC Energy Fund</td>
<td>3,465,950</td>
<td>3,028,500</td>
</tr>
<tr>
<td>Total</td>
<td>18,865,788</td>
<td>13,543,595</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 2010 amounted to Rs. 8,920,895.

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 6 September 2014. Fair value of the TFC as at 30 June 2010 amounted to Rs. 9,651,888.

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 2010 amounted to Rs. 19,597,059.

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 2010 amounted to Rs. 9,927,835.

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 2010 amounted to Rs. 4,799,218.

6.6. During the year impairment loss amounting to Rs. 88,414 has been recognized on its available for sale securities.

7. **ADVANCES, DEPOSITS AND PREPAYMENTS - considered good**

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances to staff for expenses</td>
<td>21,712,930</td>
<td>24,800,757</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>1,162,244</td>
<td>2,665,474</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>3,118,385</td>
<td>3,234,588</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25,993,559</td>
<td>30,700,799</td>
</tr>
</tbody>
</table>

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8. ACCRUED INCOME AND OTHER RECEIVABLES

Accrued income on investments  1,764,073  1,453,804
Tax deducted at source  213,872  130,755
Other receivables  331,066  246,043

Rupees  2,308,911  1,830,602

9. SHORT TERM INVESTMENTS

Term finance certificate:
Pakistan Mobile Communication Limited-Tranche IV  9.1  9,996,000

Term deposit receipt:
Barclays PUC Pakistan  10  9,996,000  13,000,000

9.1 This represents investment in 0.3 years term finance certificate and carry profit at the rate of 1.30% per annum plus 6 months KIBOR and will mature on 01 October 2010. Fair value of the TFC as at 30 June 2010 amounted to Rs. 9,842,961.

10. CASH AND BANK BALANCES

Cash in hand  33,934  29,842
Cash at bank:
- current account  174,431,833  332,049,089
- deposit account  160,936,178  125,565,810

Rupees  335,368,010  1,587,614,909

10.1 Profit rates on deposit accounts range between 1.25% to 6% per annum (2009: 0.25% to 9% 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></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related to operating fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>1,492,356,754</td>
<td>1,172,798,499</td>
</tr>
<tr>
<td>Donations received during the year</td>
<td>360,473,939</td>
<td>359,370,947</td>
</tr>
<tr>
<td>Amortisation for the year</td>
<td>(47,767,354)</td>
<td>(39,812,692)</td>
</tr>
<tr>
<td></td>
<td>1,805,063,339</td>
<td>1,492,356,754</td>
</tr>
</tbody>
</table>

| Related to school support and children education |                          |                          |
| Opening balance | 64,950,936             | 23,856,120               |
| Donations received during the year | 102,708,475             | 48,640,098               |
| Amortisation for the year | (37,291,311)         | (7,551,262)              |
|                      | 130,368,180            | 64,950,936               |

Rupees | 1,935,431,439 | 1,557,307,690 |

14. **Accrued Expenses and Other Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued expenses</td>
<td>2,111,024</td>
<td>4,544,940</td>
</tr>
<tr>
<td>Security deposit</td>
<td>16,461,494</td>
<td>17,354,264</td>
</tr>
<tr>
<td>Retention money</td>
<td>20,426,393</td>
<td>21,511,606</td>
</tr>
<tr>
<td>Scholarship</td>
<td>6,366,338</td>
<td>7,398,173</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>204,976</td>
<td>1,996,867</td>
</tr>
</tbody>
</table>

Rupees | 45,370,225 | 47,805,850 |

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

15. **Contingencies and Commitments**

In June 2003, the Foundation received an advice from Sindh Employees' Social Security Institution (SESSI) vide letter No. SS/CD/Cont/4/3589 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. E-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 from May 2003 to September 2003. The Foundation has filed a petition with Honorable 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 was admitted by the Supreme Court on 26 September 2008. On 16 June 2010 the Honorable Supreme Court of Pakistan has upheld the decision of Division Bench of Sindh High Court and has dismissed the petition. The Foundation has filed a review petition against the judgement and based on their discussion with the lawyer is confident of a favorable outcome.

Similar notification has been received from Punjab Employees' Social Security Institution (PESSI) 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. However, the respective authority has with held the case until the outcome of petition against SESSI's alleged demand is decided.
No provision has been made in the financial statements for the alleged demands as management is confident of a favourable outcome in review petition.

**Commitments:**
Commitment in respect of capital expenditure amount to Rs. 37.6 million (2009: Rs. 59.3 million).

16. **DONATIONS**

<table>
<thead>
<tr>
<th>Item</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations received for school operations</td>
<td>607,938,382</td>
<td>520,763,806</td>
</tr>
<tr>
<td>Amortised - donations related to assets</td>
<td>47,767,354</td>
<td>39,812,692</td>
</tr>
<tr>
<td>Amortised - donations related to school support and children education</td>
<td>37,291,311</td>
<td>7,551,783</td>
</tr>
<tr>
<td><strong>Rupas</strong></td>
<td>642,997,047</td>
<td>568,127,780</td>
</tr>
</tbody>
</table>

16.1 This includes zakat collected during the year amounting to Rs.76.46 million (2009: Rs. 64.8 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>Item</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and allowances</td>
<td>4,626,600</td>
<td>2,130,000</td>
</tr>
<tr>
<td>Special allowance</td>
<td>120,000</td>
<td>60,000</td>
</tr>
<tr>
<td><strong>Rupas</strong></td>
<td>4,746,600</td>
<td>2,290,000</td>
</tr>
</tbody>
</table>

18.2 The Chief Executive Officer is provided with free use of Company’s maintained car.

19. **FUND RAISING EXPENSES**
This includes an amount of Rs. 12.1 million (2009: Rs. Nil) incurred against funds raised through TCF USA.

20. **ADVERTISMENT**
This includes an amount of Rs. 9.0 million (2009: Rs. Nil) incurred for Zaraa campaign out of funds received from a donor.

21. **CASH GENERATED FROM OPERATIONS**

<table>
<thead>
<tr>
<th>Item</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deficit of income over expenditure</td>
<td>(25,191,733)</td>
<td>(66,963,169)</td>
</tr>
<tr>
<td>Adjustments for non-cash charges and other items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>163,736,656</td>
<td>139,733,289</td>
</tr>
<tr>
<td>Amortization of intangible asset</td>
<td>343,083</td>
<td>336,750</td>
</tr>
<tr>
<td>Amortization of deferred income</td>
<td>(85,056,665)</td>
<td>(47,363,974)</td>
</tr>
<tr>
<td>Income on investments</td>
<td>(6,735,514)</td>
<td>(6,152,914)</td>
</tr>
<tr>
<td>Gain on sale of fixed assets</td>
<td>(7,672,460)</td>
<td>(2,714,738)</td>
</tr>
<tr>
<td>Financial charges</td>
<td></td>
<td>73,673</td>
</tr>
<tr>
<td>Provision for impairment loss</td>
<td>88,414</td>
<td>17,918,699</td>
</tr>
<tr>
<td>Working capital changes</td>
<td>2,303,512</td>
<td>(1,613,946)</td>
</tr>
<tr>
<td><strong>Rupas</strong></td>
<td>39,613,324</td>
<td>13,259,060</td>
</tr>
</tbody>
</table>
21.1 **Working capital changes**

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease / Increase in current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock of uniforms, text books and exercise copies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances, deposits and prepayments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued income and other receivables</td>
<td>4,797,239</td>
<td>169,298</td>
</tr>
<tr>
<td>(Decreases) Increase in current liabilities</td>
<td>(168,102)</td>
<td>(223,646)</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>4,539,137</td>
<td>(5,041,643)</td>
</tr>
<tr>
<td>(Decreases) / Increase in current liabilities</td>
<td>2,235,6251</td>
<td>3,477,697</td>
</tr>
<tr>
<td>Rupees</td>
<td>2,303,512</td>
<td>(1,613,946)</td>
</tr>
</tbody>
</table>

22. **CASH AND CASH EQUIVALENTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term investments - Term finance certificate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupees</td>
<td>335,401,944</td>
<td>158,800,560</td>
</tr>
</tbody>
</table>

23. **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 elsewhere in the financial statements are as follows.

23.1 **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. Atta Aqil, (Director of the Foundation) is also a director, has donated Rs. 17,650 (2009: Rs. 25,000) 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. 131,700,000 (2009: Rs. 114,150) during the year.

Searle Pakistan (Private) Limited, in which Mr. Rashid Abdulla (Director of the Foundation) is also a director, has donated Rs. 10,000,000 (2009: Rs. 495,016) 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. 1,097,579 (2009: Rs. 1,225,057) during the year.

23.2 **Donations from members**

<table>
<thead>
<tr>
<th>Name</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mushtaq Chippora</td>
<td>10,000</td>
</tr>
<tr>
<td>Ahsan Saleem</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Rashid Abdulla</td>
<td>3,100,000</td>
</tr>
<tr>
<td>Arshad Abdulla</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Atta Aqil</td>
<td>50,000</td>
</tr>
</tbody>
</table>
23.3 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. 13,220 million (2009: Rs 9,176 million). There are no transactions with the key management personnel other than under their terms of employments / entitlements.

24. 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

24.1 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the foundation’s income or the value of its holdings of financial instruments.

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.
All the reporting date the 'inclined rate' in rate of the Foundation's significant interest bearing financial instruments was as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed rate instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term Finance Certificates</td>
<td>9.45</td>
<td>9.46</td>
<td>9,998,000</td>
<td>9,998,000</td>
</tr>
<tr>
<td>Variable rate instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term Finance Certificates</td>
<td>13.54-15.04</td>
<td>13.65-16.52</td>
<td>55,102,665</td>
<td>45,547,702</td>
</tr>
</tbody>
</table>

Fair value sensitivity analysis for fixed rate instruments

The foundation does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Therefore, a change in interest rates at the reporting date would not affect income and expenditure in account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / decreased the deficit of income over expenditure by Rs. 3,510,281 (2009: Rs. 4,354,701).

The sensitivity analysis presented is not necessarily indicative of the effect on deficit of income over expenditure for the year and assets / liabilities of the Foundation.

Other price risk

Other price risk includes equity price risk, 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 investment in equity of a 94% held by the Foundation, for which a loss in the future is uncertain.

A 10% increase / decrease in price of certificates of closed end fund at year end would have increased / decreased the foundations net comprehensive income, surplus or net measure net of investments classified as 'available for sale' and the value of investments by Rs. 1,385,849 (2009: Rs. 1,317,141). The sensitivity analysis presented is necessarily indicative of the effects on other comprehensive income, equity and assets of the Foundation.

24.2 Credit risk

Credit risk arises from the inability of the issuer of the instruments, the relevant financial institutions or other counterparties to fulfill their obligations, leading to financial loss to the Foundation.

The credit risk of the Foundation mainly arises from its investments in debt securities representing shares of the investing companies in repayment of principal and / or the interest due on such investments. The Foundation is also exposed to counterparty credit risk on bank balances, investments in unit of open and mutual fund, long-term deposits, accrued income and other receivable balances.

Credit risk management

The Foundation assesses all counterparties for credit risk before entering into financial contracts with them. It is in the Foundation's policy not enter into financial contracts with reputable and creditworthy counterparties. The Foundation keeps its funds in banks having high credit ratings ranging from A to AAA. 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 carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

<table>
<thead>
<tr>
<th>Account / Income and Other Receivables</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued income and other receivables</td>
<td>2,095,181</td>
<td>1,694,847</td>
</tr>
<tr>
<td>Short term investments</td>
<td>17,949,000</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Long term investments</td>
<td>55,611,968</td>
<td>54,018,957</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>2,413,334</td>
<td>2,433,934</td>
</tr>
<tr>
<td>Net R balances</td>
<td>135,368,010</td>
<td>136,711,718</td>
</tr>
<tr>
<td>Reques</td>
<td>495,484,473</td>
<td>736,732,456</td>
</tr>
</tbody>
</table>

None of the above financial assets were considered to be past due or impaired in 2010 and 2009.

The analysis below summarizes the credit quality of the Foundation’s investment in Term Finance Certificates and Open End Mutual Fund Units.

Debt Securities (term finance certificates) by rating category

<table>
<thead>
<tr>
<th>Rating</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>50.70%</td>
<td>37.33%</td>
</tr>
<tr>
<td>AA-</td>
<td>15.73%</td>
<td>54.85%</td>
</tr>
<tr>
<td>A+</td>
<td>33.57%</td>
<td>7.82%</td>
</tr>
</tbody>
</table>

Rating of Open End Mutual Fund Units

- AKD Income Fund (Growth unit)
  - BBB

Concentration of credit risk

Concentration of credit risk exists where changes in economic or industry factors similarly affect groups of counterparties. The concentration of credit risk exposures is not 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.

24.3 Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash to another financial asset. The Foundation’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity in each asset/liability when due or maturing in order to prevent any cash flow requirements from leading to a loss of value in the Foundation’s reputation.

The following are the contractual maturities of the non-interest bearing financial liabilities:

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued and Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount</td>
<td>45,571,225</td>
<td>45,571,225</td>
</tr>
<tr>
<td>Contractual cash flows</td>
<td>23,169,337</td>
<td>23,718,632</td>
</tr>
<tr>
<td>Six months or less</td>
<td>6,568,533</td>
<td>3,237,293</td>
</tr>
<tr>
<td>Six to twelve months</td>
<td>4,384,327</td>
<td>6,541,837</td>
</tr>
<tr>
<td>One to two years</td>
<td>9,566,026</td>
<td>2,410,853</td>
</tr>
<tr>
<td>Two to five years</td>
<td>4,941,015</td>
<td>4,941,015</td>
</tr>
<tr>
<td>After five years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Financial Liabilities

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued and Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount</td>
<td>47,861,450</td>
<td>47,861,450</td>
</tr>
<tr>
<td>Contractual cash flows</td>
<td>6,541,837</td>
<td>23,982,419</td>
</tr>
<tr>
<td>Six months or less</td>
<td>9,566,026</td>
<td>2,410,853</td>
</tr>
<tr>
<td>Six to twelve months</td>
<td>4,941,015</td>
<td>4,941,015</td>
</tr>
<tr>
<td>One to two years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two to five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>After five years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
24.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

The Foundation measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1**: Quoted market price (unadjusted) in an active market for an identical instrument.
- **Level 2**: Valuation techniques based on observable inputs (either directly or indirectly).
- **Level 3**: Valuation techniques using significant unobservable inputs.

Investments in certificates of deposits and funds and units of open-ended funds are measured using a quoted price in stock exchange/redemption amount of units of open-end fund, hence, fair value of such investments fall within Level 1 in fair value hierarchy mentioned above.

24.5 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 internally imposed capital requirements.

25. MOVEMENT BETWEEN DEFICIT OF INCOME OVER EXPENDITURE FOR THE YEAR TO GENERAL FUND

The Board of Directors, in their meeting held on 08 November 2010, has proposed to transfer an amount of Rs.25,01,733 (reducing deficit of income over expenditure for the year to general fund).

26. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors’ meeting held on 08 November, 2010.

CHIEF EXECUTIVE OFFICER

DIRECTOR
HELP LIGHT
UP PAKISTAN
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CHAPTERS
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www.tcfusa.org

CANADA
Aziz Raja, The Citizens Foundation, Canada, 1877 Featherston Drive, Mississauga, Ontario, L5L 2T2, Canada
Telephone: (905) 607 2666 www.tcf-canada.org

Note: Contact TCF team members locally and internationally at: info@thecitizensfoundation.org
You can donate to TCF via cheque and bank drafts.

**Pakistan:** Cheque payable to: The Citizens Foundation, 7th Floor, NIC Building, Abbasi Shaheed Road, Karachi-75530,

**UAE:** Cheque payable to: P.O.Box # 506007, Dubai, UAE

**UK:** Cheque payable to: Friends of The Citizens Foundation, Suite 420, Regent House Business Centre, 24-25 Nutford Place, Marble Arch, London, W1H 5YN

**Canada:** Cheque payable to: The Citizen’s Foundation, 1877 Featherston Drive, Mississauga, Ontario, L5L 2T2, Canada.

**USA:** Cheque payable to: The Citizens Foundation, USA, 1350 Remington Rd, Suite A, Schaumberg, IL 60173, USA.

Deposits or direct bank transfers can also be made to TCF accounts. If you use this mode of making donations, kindly send a letter communicating your address and donation details to the address of that country.

### PAKISTAN

<table>
<thead>
<tr>
<th>Title of Account:</th>
<th>The Citizens Foundation, Askari Commercial Bank Ltd, Clifton Branch, Karachi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account no. (PKR)</td>
<td>011650048-1</td>
</tr>
<tr>
<td>Account no. (USD)</td>
<td>15-020360018-9</td>
</tr>
<tr>
<td>Swift Code</td>
<td>AECMPPKA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Title of Account</th>
<th>The Citizens Foundation, Bank Al Habib Ltd, Sharae Faisal Branch, Karachi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account no. (PKR)</td>
<td>1003-0081-052119-01-6 (For Zakat Funds only)</td>
</tr>
<tr>
<td></td>
<td>1003-0081-052119-02-7</td>
</tr>
<tr>
<td>Account no. (USD)</td>
<td>418053822275-5</td>
</tr>
<tr>
<td>Swift Code</td>
<td>BAIILPKCA</td>
</tr>
</tbody>
</table>

### UK

<table>
<thead>
<tr>
<th>Title of Account</th>
<th>Friends of the Citizens Foundation, HSBC Bank plc, Leadenhall Street Branch, London, EC3 3DB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sort No.</td>
<td>40-044-1</td>
</tr>
<tr>
<td>Account no.</td>
<td>71415255</td>
</tr>
<tr>
<td>Name of Charity</td>
<td>Friends of the Citizens Foundation</td>
</tr>
<tr>
<td>Charities Commission No.</td>
<td>1087864</td>
</tr>
</tbody>
</table>

### UAE

<table>
<thead>
<tr>
<th>Title of Account</th>
<th>The Citizens Foundation, Habib Bank AG Zurich, Main Branch, Benyas Square, P.O.Box 3306, Deira, Dubai,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account no.</td>
<td>(UAE Dirhams) 020101-20430-105-266861</td>
</tr>
<tr>
<td>Swift Code</td>
<td>HBZUAEAD</td>
</tr>
</tbody>
</table>

### CANADA

<table>
<thead>
<tr>
<th>Title of Account</th>
<th>The Citizens Foundation, Canada, Bank of Montreal, 2146 Burnhamthorpe Rd., West, Mississauga, Ontario L5L 5Z5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution #</td>
<td>001</td>
</tr>
<tr>
<td>Account no.</td>
<td>83309457</td>
</tr>
<tr>
<td>Swift Code</td>
<td>BOFMCAM2</td>
</tr>
</tbody>
</table>

### USA

For wire transfers, please call TCF-USA at 888-729-3022 for instructions or write to us at info@thecitizensfoundation.org

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**Online Donations**

[www.thecitizensfoundation.org](http://www.thecitizensfoundation.org) using your VISA/MASTERCARD 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 FTCF-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.
Support a School / Child

YOU can change lives!
It is a mounting challenge for TCF to continue disseminating quality education to thousands of students. As of the new academic session of 2010, there are 92,000 students arriving in their TCF Campuses every morning eagerly receiving their lessons and studying to fulfill their innocent dreams.

Please come forward to support TCF schools and students and help fulfill many young dreams.
TCF at a Glance

- 660 operational school units
- 92,000 students
- Almost 50% female enrollment
- Female faculty - fully trained 4,800 teachers
- Present in 68 towns and cities throughout the country including AJ&K
- Ranked amongst the top scoring organizations by the Pakistan Center for Philanthropy (PCP)
- High Non-Profit Organization (NPO) governance rating of GR 8+ by JCR-VIS Credit Rating Co. Ltd.
- Winner of the 26th Management Association of Pakistan (MAP) “Corporate Excellence Award” in the not-for-profit Social Services Organization Sector.
- Winner of International Award by the South Asian Federation of Accounts (SAFA)
# TCF Pledge Form

## Pledge to Educate

I hereby pledge to The Citizens Foundation that I will:

[please tick the appropriate category]

<table>
<thead>
<tr>
<th>Amount (Rs.)</th>
<th>Educate-a-Child</th>
<th>Donate Text books / Uniforms for a class</th>
<th>Support-a-School (2010-11)</th>
<th>Build-a-School &amp; Support (3 yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>833 10,000</td>
<td>Month Year</td>
<td>Primary Secondary (dual)</td>
<td>Primary Secondary (single) Secondary (dual)</td>
<td></td>
</tr>
<tr>
<td>10,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 m 2.1 m</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.5 m + 4.5 m</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.5 m + 3.75 m</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>23 m + 7.5 m</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- For cost efficiency, secondary schools are built as dual units. However donors can build or support single units also at 50% of the cost.
- Rates vary for different budgets.
- Each Build-a-School Project can be taken up only with the provision of school support for three years.
- All construction in the earthquake zone will need to take into account special earthquake resistant architecture.

## DONATION AUTHORISATION FORM

### 1. CASH OR CHEQUE

I have enclosed a cheque / cash of Rs. ___________________________.

Rs. (in words) ___________________________

(Not to be filled by persons paying through credit cards)

### 2. CREDIT CARDS - DIRECT DEBIT INSTRUCTIONS

I hereby authorize my bank to charge the above stated amount from my following credit card & donate the same to TCF

Card Type:  
- [ ] Visa  [ ] Master Card

Name: ___________________________

(as it appears on the card)

Credit Card No: ___________________________

Expiry date: ___________________________

### 3. BANK ACCOUNT-DIRECT DEBIT INSTRUCTIONS

I hereby authorize my bank to charge the above stated amount from my following bank account & donate the same to TCF

Account Type:  
- [ ] PLS  [ ] Current Account

Title of Account: ___________________________

Account Number: ___________________________

Bank: ___________________________ Branch: ___________________________

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

Logo designed and created by Imran Mir

Photography by
Ameen Jan
Momin Zafar
Mustafa Mohsin
Tooba Bukhari
Uzma Zakeria

Concept & design
Logic Box

Disclaimer: All photographs included in the annual report have been taken with the consent of the individuals / groups.
Cover: TCF School • Dhoke Chaudrian Campus in Rawalpindi

Light of literacy is changing young lives and turning them into Agents of Positive Change

www.thecitizensfoundation.org

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