

# We are growing a garden

A Tribute to TCF Faculty

THE CITIZENS FOUNDATION

**Annual Report** 2013

# 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

LEGAL STATUS AND NATURE OF OPERATIONS

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

The registered office of the Foundation is situated at Plot No. 20, Sector No. 14, Near Brookes Chowrangi, Korangi Industrial Area, Karachi, Pakistan.

This year's report is dedicated to TCF faculty, as they are TCF's most important resource. Their dedication reflects the organization's commitment to impart quality education.



We have treaded on the path of life
learnt precious lessons
picked up some golden rules
Now we together, call all,
from here and yonder
to gather as we prepare
for a time that will be brighter.
Look at us!
This is what we are doing.
We are growing a garden.

# 2013
Annual Report

# Compassionate;
## making a difference



*They travel everyday to these far flung towns to reach school on time. They visit neighborhoods, motivating the locals to send their children to TCF schools.*
*What is the secret behind their enthusiasm?*

Shahi, Sheikh Jana and Karak, Khyber Pakhtunkhwa.
Janglan and Hillkot, Azad Jammu Kashmir.
Bhone,Vehova, Katha Sughral and Rajanpur, Punjab.
Ketty Bander, Salehpat and Kandhkot, Sindh.
Dera Murad Jamali and Gwadar, Baluchistan.

These names might sound exotic but they are poverty stricken rural areas that offer their communities a stark, constrained lifestyle. The silver lining around this dark cloud is that these areas have one feature in common - purpose-built TCF primary and secondary school units with trained female faculty. They travel everyday to these far flung towns to reach school on time. They visit neighborhoods motivating the locals to send their children to TCF schools. What is the secret behind their enthusiasm?

These are energetic, young ladies driven by the passion to make a difference. Some of them are hired from the local community, while numerous others, cross difficult terrain to make it to work. They want to bring about a positive change in their area by altering negative mindset - a deed only possible through the enlightenment of education.

# Committed;

## TCF Alumni gives back



*Shabina's successful academic phase and currently her respectable job have greatly influenced her conservative extended-family. Her uncles, aunts and other relatives are convinced that girls should be sent to school.*

Shabina Kanwal studied from TCF School in Saifal Goth, Karachi. She is now teaching at a TCF Primary School in Saindad Goth and simultaneously studying for a Bachelors degree. Her successful academic phase and currently her respectable job have greatly influenced her conservative extended-family. Her uncles, aunts and other relatives are convinced that girls should be sent to school. Shabina's cousin Mehak, is a grade VIII student at TCF School.

When speaking about their student days, TCF alumni remember the individual attention, the small class sizes, the fact that they were in a well equipped and clean environment. All of this, combines to inspire these young girls to join TCF Faculty. Around 165 TCF alumni have been recruited in 2013.

"TCF alumni teachers represent the most important legacy that TCF leaves in a community where education was previously not available. Not only do the schools get a set of local teachers, who understand the local circumstances better than anyone else, they also directly contribute to a better educated local population, with parents wanting their daughters to emulate the alumni teachers."
— Dr. Marie Lall (Author & South Asia specialist at the University of London)

# Diligent;

## serving in far flung areas



*The literacy rate in Swabi District among the population aged 10 years and above is only 36%, females are making up only 18%.*

Swabi is a mountainous area in Khyber Pakhtunkhwa. According to the Statistical reports (2010-11) of The Education Management Information System (EMIS) of the Elementary & Secondary Education Department, Government Khyber Pakhtunkhwa, the literacy rate in Swabi District among the population aged 10 years and above is only 36% (53.99% male and 18% female education)!

In this area, TCF School is successfully operating since eight years and its committed faculty is continuing to motivate the local communities.The principal of this primary school, Robina Begum, clearly recalls that for in-service training (INSET) she and her team used to travel to Shaidu - 2 1/2 hours of drive one way - to the designated centre of their particular district. "The summer heat was never kind to us. I used to leave my home at 6:00 am", shares Robina.

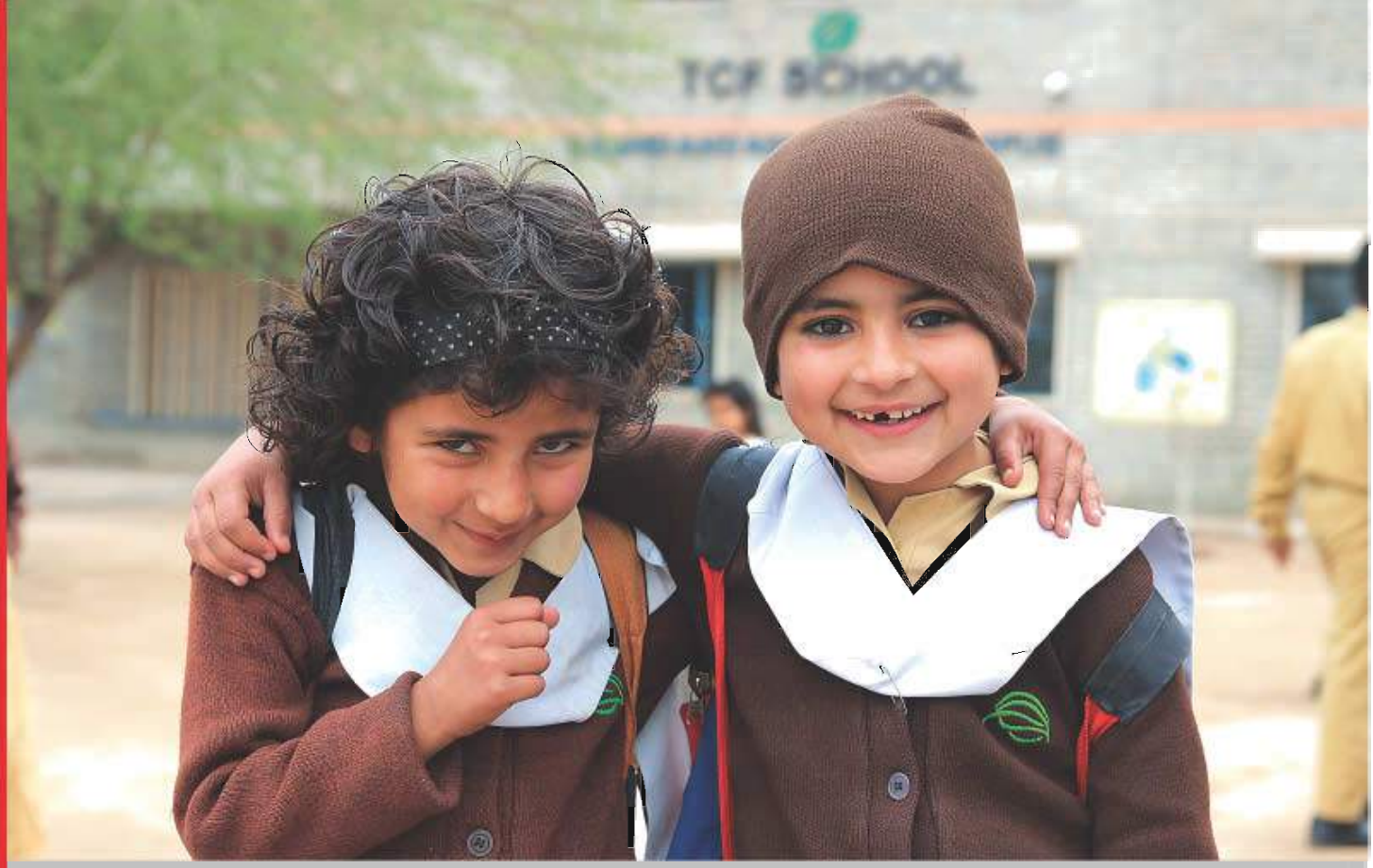
# Thorough;
## a drive of optimism



*My father used to say, "It's the noblest profession Alfana, you will seek life's answers within it".*

Alfana started teaching at TCF Bhai Pheru Campus, Kasur-Punjab in the year 2000. After the completion of her ten year service she was awarded the 'Long Service Award'. She was appointed as the principal of TCF Primary School Baherwal, Houston Campus II, Patoki. Alfana has also been involved in the year round TCF Faculty's training and currently completing her MA in Urdu Literature.

Her father who is a retired Govt. officer was the main source of inspiration for what she has achieved today; he always wanted his daughters to pursue the teaching profession. She fondly recalls her father saying "It is the noblest profession Alfana, you will seek life's answers within it". Taking forward her father's will, Alfana proved to be a major driving force to convince her other family members to get engaged with this profession. As a result four of her cousins are now teaching in TCF schools as well as her sister-in-law, who works as a principal.




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*"One who taught me a single word, made me his slave."*
*— **Hazrat Ali R.A***

Nazia Gul
Primary Principal






WELCOME
TO TCF



# We are growing a garden

Our children represent the future, and the direction that our country will take. In their earliest, impressionable years, it is teachers who can enrich a young generation of children so that the future is a safe, happy place to live in for all of us.

We believe teaching is like creating and planting a garden. Inside the haven of schools, teachers are entirely responsible for nurturing young minds. At The Citizens Foundation (TCF), teachers form the linchpin of the education programme. Their incessant effort produces exemplary students.



Most of TCF students come from economically impoverished background, often being the first ones in their families to receive formal, quality education. Since its inception in August 1995, TCF has focused on destitute areas from where the children can easily access purpose-built schools that deliver sound education. To date, 910 school units are providing quality education to 126,000 girls and boys all across hundreds of urban slums and rural areas in Pakistan and Azad Jammu and Kashmir. TCF takes pride in its schools and welcomes you to visit them and share your insight with the TCF Team.

TCF is professionally managed and has a full female faculty of 6,300 members. TCF Education Team organizes an extensive Pre-Service Training (PRESET) for its new staff every year and a rigorous In-Service Training (INSET) is conducted every summer to keep the existing faculty abreast with new trends in teaching.

TCF Schools follow a relevant and comprehensive curriculum, which also includes books written by TCF Academics team. To further enhance the syllabus and facilitate our teachers to teach effectively, guide lessons for prescribed textbooks are prepared by TCF. The teachers are also provided with attainment targets, which indicate the concepts that a child is expected to learn at the end of each class. For more information, log on to TCF Website: www.tcf.org.pk

The Foundation is dedicatedly striving to provide a healthy learning environment where a child's imagination and creativity are encouraged and thinking skills are enhanced to maximize his/her potential. TCF team is driven by a deep-rooted passion and empathy and a commitment to excellence. We look forward to your feedback. Either in Pakistan or abroad you can reach TCF through the contact details mentioned in this annual report as well as via TCF Website at: http://www.tcf.org.pk/ContactUs.aspx
If you wish to email, please write to: info@tcf.org.pk

**Anjum Khan**
Primary Principal



*"Those who know, do.*
*Those that understand, teach."* — ***Aristotle***

### Muzamil Shafiq

Studying in grade V at TCF Primary School in Faisalabad, the little iron man, Muzamil Shafiq works as an electrician under his father's supervision. He learnt to mend iron motors and machines from his father who lost his vision in a tragic incident. This diligent student aims to become a commissioned officer in Pakistan Army. His daily routine after school entails helping his mother with housework, finishing his homework and spending time at the workshop. An avid Shahid Afridi fan, he loves to play cricket, read books, dance and mend things.





### Hira Abdul Ghafoor

Hira Abdul Ghafoor is a grade VI student at TCF School Jam Kando Goth - Karachi. Attending school, learning interesting concepts and indulging into extracurricular activities is a treat for this little girl's daily routine. Hira's father works as a laborer in a local factory, while she accompanies her mother in the vegetable fields after school hours. These daily wages which are brought in the house make both ends meet for their family. Her teachers believe that she is a go-getter and bears whatever it takes to make her mark in future.

# TCF Students

### Aqsa Jalil

Aqsa and her mother were compelled to move out after being victims of domestic violence by her father who is a drug addict. Twelve year old Aqsa is a grade 5 student enrolled in TCF School, Mansehra - Khyber Pakhtunkhwa. She now lives with her grandparents. Due to financial constraints, her mother could not afford to send her to school but they did not give up and that is when they found out about TCF. She started school and her mother was hired as a member of the support staff. She wants to teach when she grows up.






### Jibran Ashfaq

Jibran Ashfaq is a student of TCF Primary School, Sheikhupura - Punjab. They are a family of seven members. To run the house, his mother and sister stand long hours in dirty water looking for plastic bags while his brother stitches clothes. Jibran aspires to protect his country by joining the police force when he grows up. Despite living hand to mouth, his mother is motivated to send him to school. She has high hopes from him and feels that he will drive them out of the vicious cycle of poverty.

### Zakia Madad Ali

She was a student at TCF Secondary School in Quaidabad and attained an A+ in both Matric and Intermediate. Growing up in an environment plagued with hardship and disease, she aspired to enter the field of medicine so that she can serve her community and become an agent of positive change for a healthier Pakistan. Her excellent grades enabled her to gain admission at the highly prestigious and competitive DOW University of Health Sciences where she is currently pursuing her MBBS degree.





### Javed Ali

Javed Ali is an outstanding student who has made TCF proud by taking top positions throughout his educational career. After successfully completing his Matriculation and Intermediate, he secured the only opening for Chemical Engineering that was available for the Sukkur Board and gained admission to one of the best engineering institutes in Pakistan, NED University of Engineering and Technology. Javed also completed internships in his 1st and 2nd year of university at Engro Fertiliser and Engro Technical Training College in Dharki, with the hope to start a career in the company in the near future.

# TCF Alumni

### Nadeem Hussain

An industrious student, Nadeem joined TCF School in grade IV and went on to be the highest scorer among the regional TCF schools in his Matriculation. Through further hard work and dedication, Nadeem gained admission at the prestigious Institute of Business Administration (IBA) through their National Talent Hunt Program. He is now in the third year of his degree and has been selected for 'Study of the United States Institute for Student Leaders on Comparative Public Policy - 2013 Program' to take place in Massachusetts, USA this summer. He is one of 17 Pakistani students to be selected for this honor.



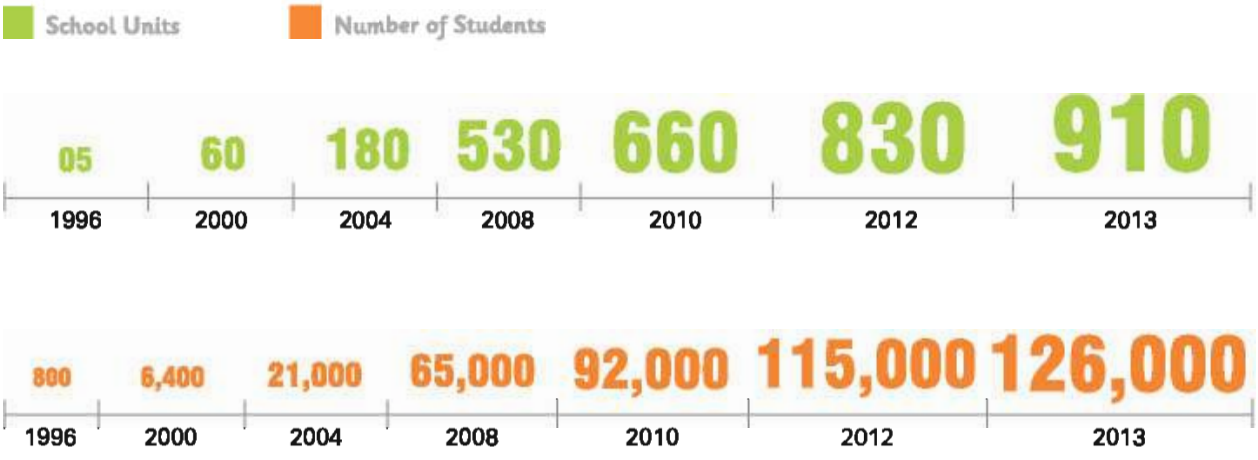


### Anum Fatima

Anum has proved herself as the pride and asset of TCF. After completing her Bachelors from IoBM, a top business school in Pakistan, she went on to do her MBA from the same institution and is now nearing completion of her degree. To add another feather to her cap, Anum has been accepted to a fully funded Summer Exchange programme in the US, at the world renowned Harvard Business School! We have great hopes and dreams for Anum to excel in the future and take Pakistan's name forward.

## Growth Pattern

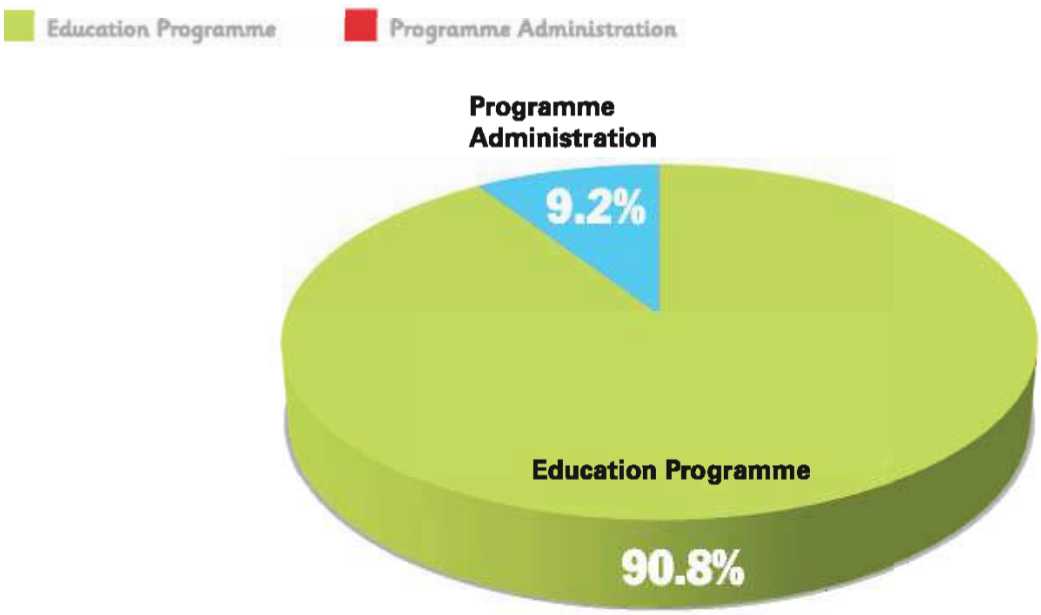
This graph reflects the way TCF has progressed over the years in terms of school units and number of students.



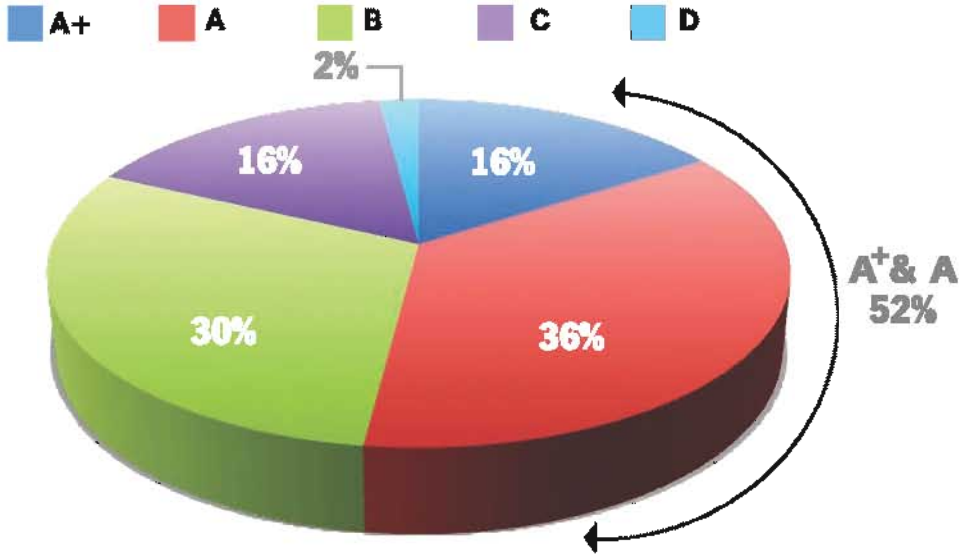

# TCF Statistics

## Expense Pattern

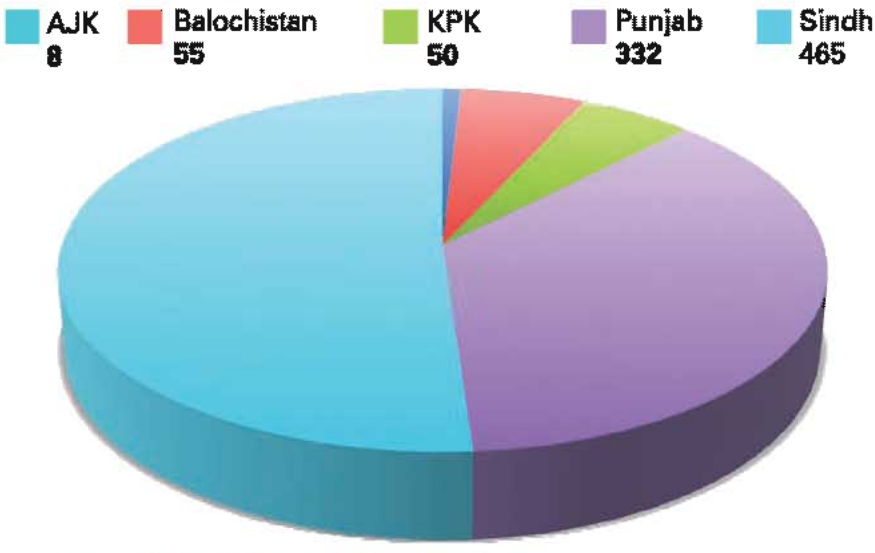
Education Programme includes all expenses directly related to school education.
Programme Administration includes all administration expenses of the head office.



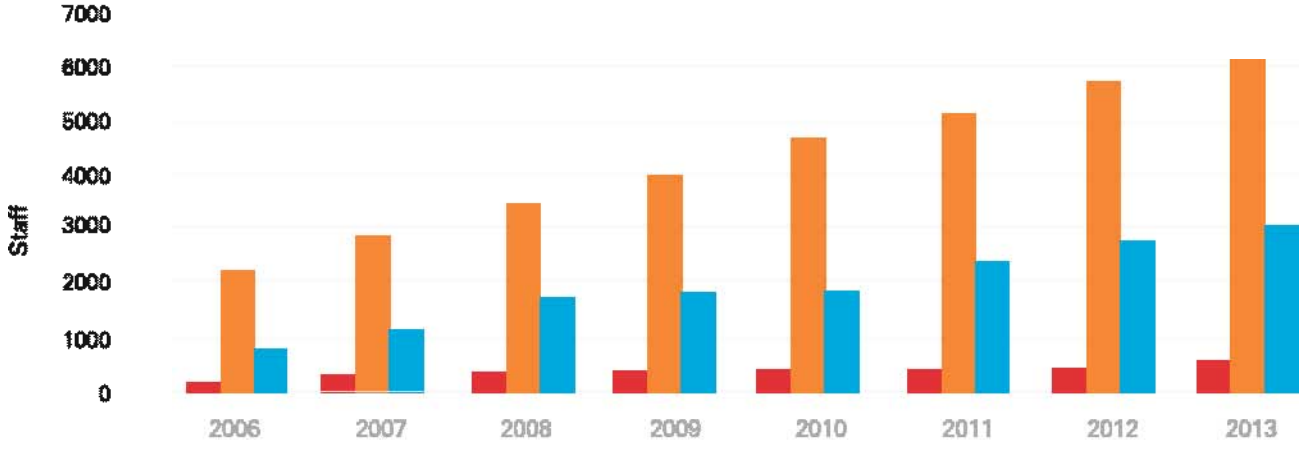
## Grade-wise breakup of Matric Students 2012-13




## Provincial breakup of TCF Schools



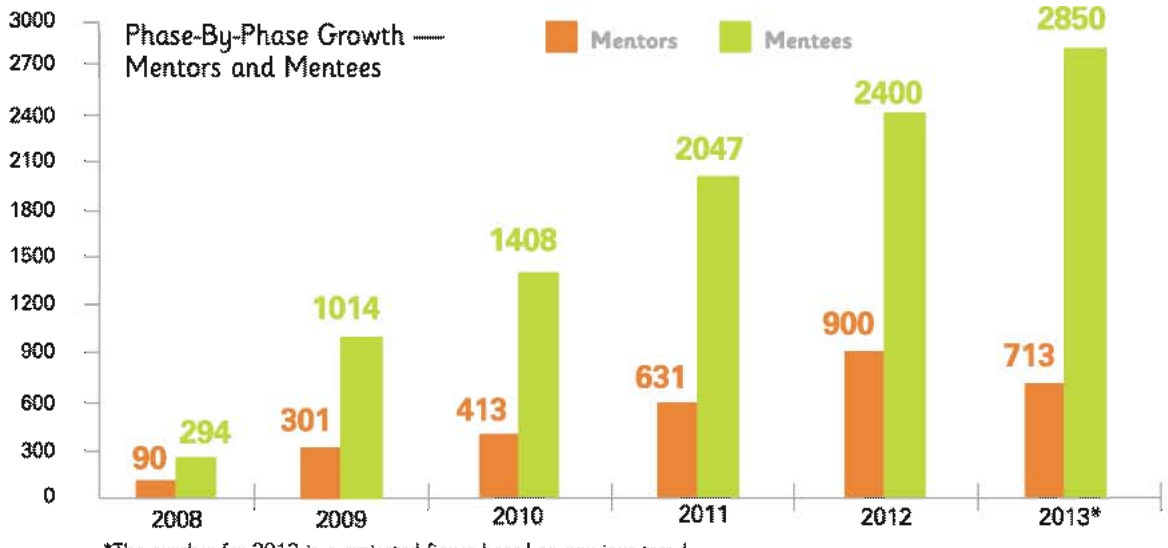

## Growth trend in TCF Staff




| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|
| Office Staff | 138 | 190 | 230 | 260 | 270 | 280 | 300 | 350 |
| Faculty Staff | 2200 | 3000 | 3550 | 4150 | 4800 | 5400 | 5800 | 6300 |
| Non Faculty Staff | 925 | 1300 | 1685 | 1850 | 1930 | 2500 | 2700 | 3000 |

## Rahbar

A Mentorship Programme aimed at the development of youth as responsible individuals and productive members of society.

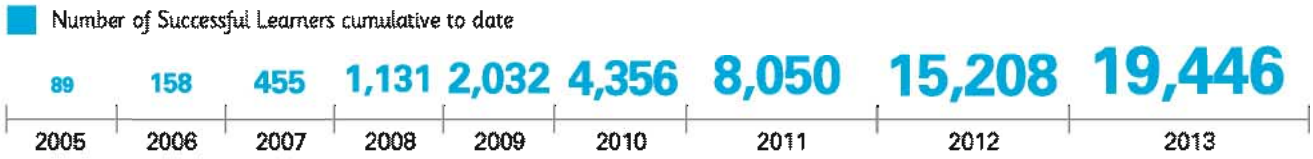



*The number for 2013 is a projected figure based on previous trend.

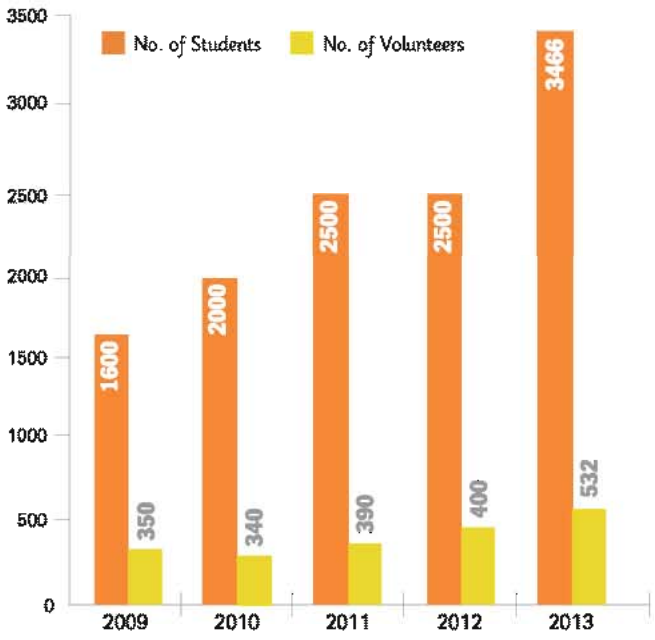
# TCF Programmes' Statistics

## Aagahi

Aagahi is an Adult Literacy Programme for women hailing from the rural and urban slums around TCF Schools.




## Summer Camp




## Alumni breakdown upto 2013




Up to 2013, 440 TCF students have availed scholarships for either 2-3 year Bachelor degrees or 4-5 year Professional programmes*. This number is only indicative of those students who receive scholarships and not of those who are enrolled in such degrees.

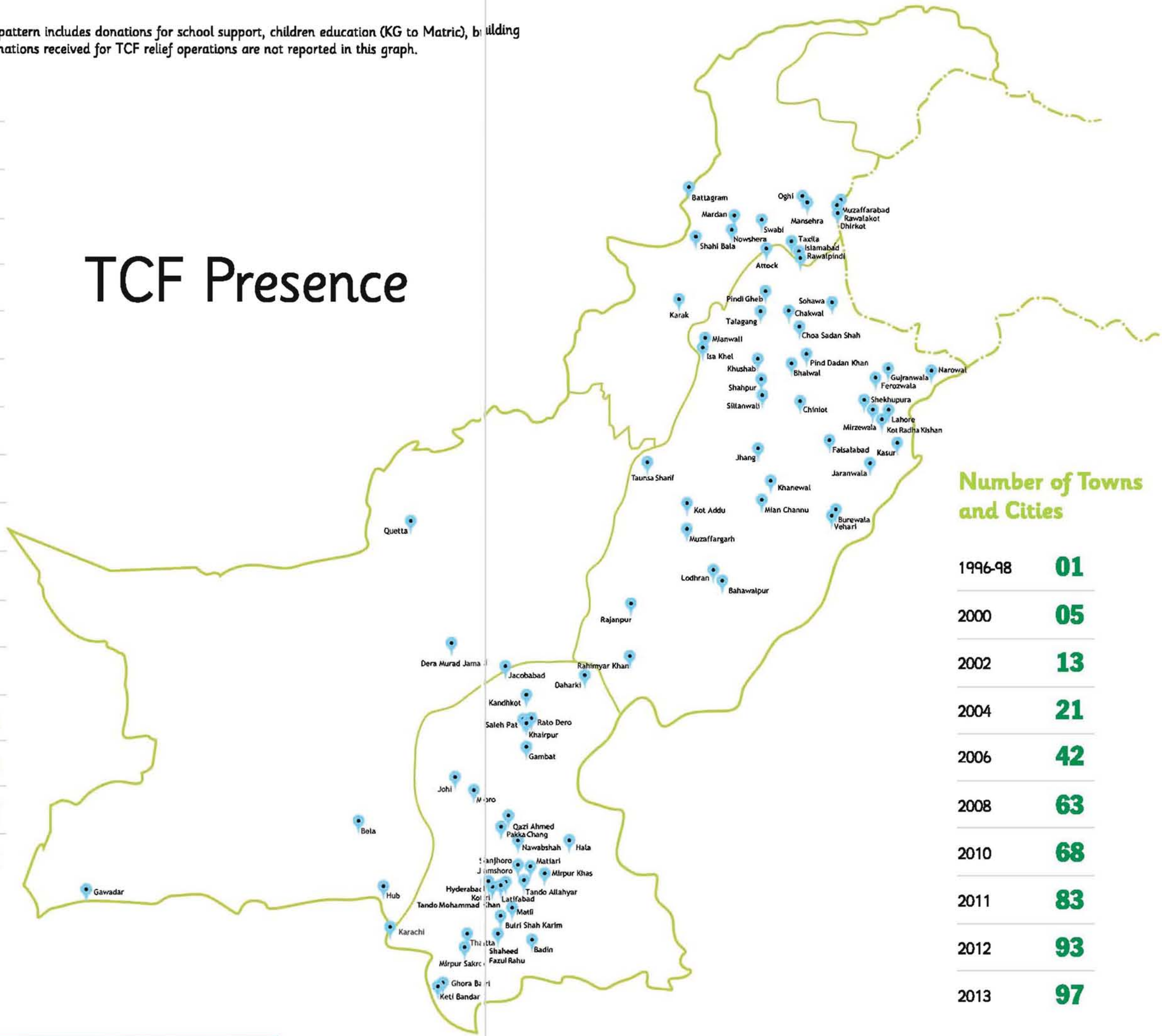
*A larger number of tertiary scholars opt for 2-3 year Bachelor degrees.

## Receipts Pattern

This graph containing receipts pattern includes donations for school support, children education (KG to Matric), building schools and other incomes. Donations received for TCF relief operations are not reported in this graph.

| | |
|---|---|
| 1997 | 39m |
| 1998 | 45m |
| 1999 | 86m |
| 2000 | 115m |
| 2001 | 119m |
| 2002 | 117m |
| 2003 | 183m |
| 2004 | 335m |
| 2005 | 400m |
| 2006 | 561m |
| 2007 | 736m |
| 2008 | 945m |
| 2009 | 972m |
| 2010 | 1,100m |
| 2011 | 1,395m |
| 2012 | 1,682m |
| 2013 | 1,873m |

# TCF Presence




## Number of Towns and Cities

| | |
|---|---|
| 1996-98 | 01 |
| 2000 | 05 |
| 2002 | 13 |
| 2004 | 21 |
| 2006 | 42 |
| 2008 | 63 |
| 2010 | 68 |
| 2011 | 83 |
| 2012 | 93 |
| 2013 | 97 |



# Financial Highlights (2008-2013)

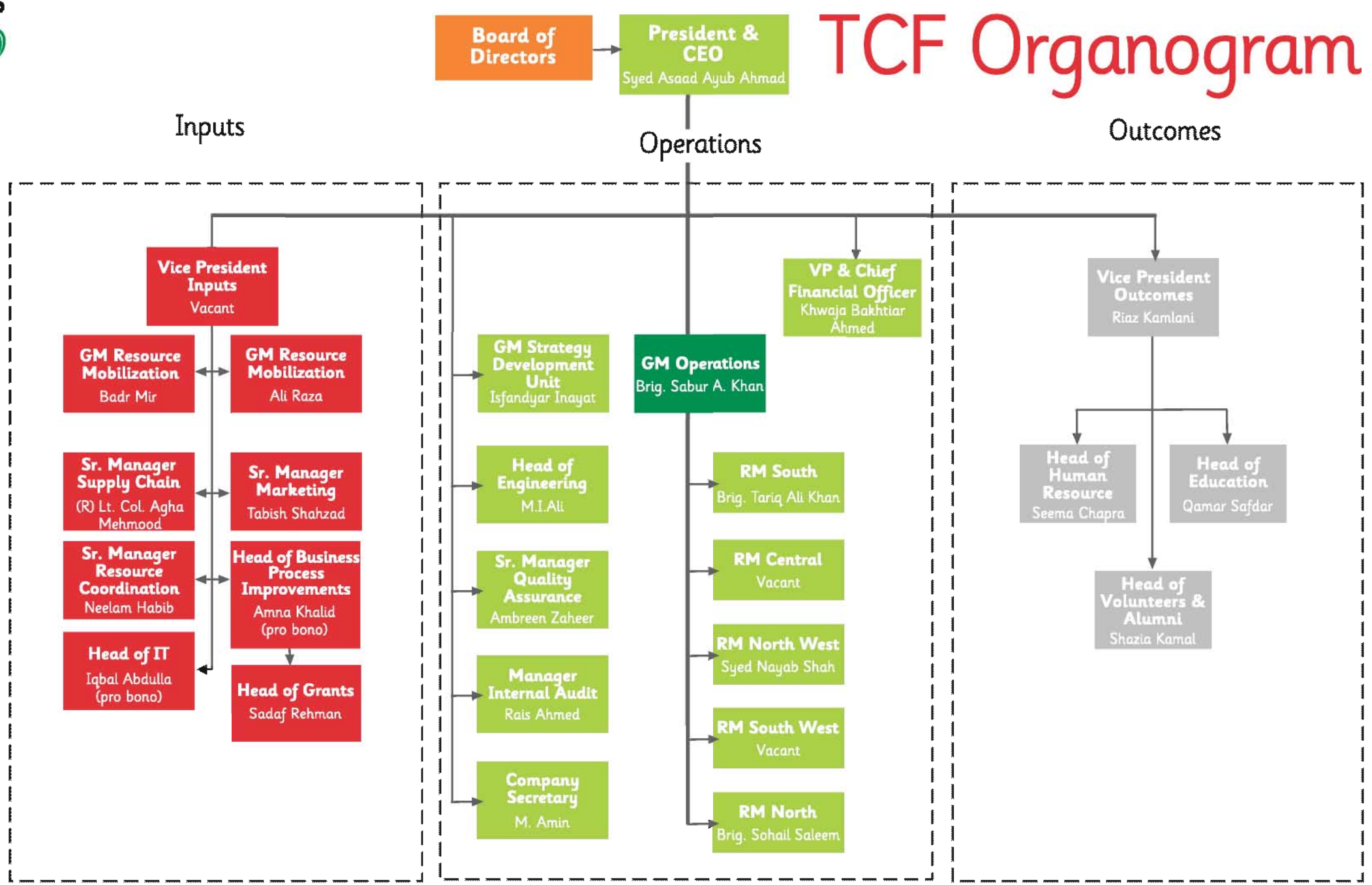
## For the year ended 30 June, 2013

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|
| **Operating Results** (Rupees in million) | | | | | | |
| School support donation | 1318.2 | 1,120.4 | 900.5 | 693.0 | 568.1 | 426.9 |
| Other income | 116.0 | 127.1 | 79.0 | 24.4 | 38.3 | 64.6 |
| Education programme expenses | 1318.7 | 1,083.6 | 889.9 | 648.6 | 594.5 | 407.1 |
| Administrative overhead | 133.7 | 106.3 | 90.0 | 86.9 | 59.9 | 40.7 |
| Surplus (deficit) of education programme operations | (18.2) | 57.6 | (0.5) | (18.1) | (48.0) | 43.7 |
| **Financial Position** (Rupees in million) | | | | | | |
| School land and building | 2,801.3 | 2,553.9 | 2,289.3 | 2,152.0 | 1,952.5 | 1,590.5 |
| Other non-current assets | 759.2 | 549.1 | 450.0 | 318.7 | 302.8 | 415.8 |
| Current assets | 1193.6 | 932.3 | 761.9 | 373.7 | 201.3 | 181.6 |
| **Total assets** | 4,754.1 | 4,035.4 | 3,501.2 | 2,844.4 | 2,456.6 | 2,187.9 |
| Capital fund | 2.1 | 1.5 | 1.5 | 1.4 | 1.3 | 1.2 |
| General and other funds | 861.1 | 803.2 | 775.0 | 761.0 | 780.9 | 879.8 |
| Endowment fund | 356.4 | 184.2 | 132.8 | 101.0 | 69.3 | 60.1 |
| Deferred income | 3,353.6 | 2,897.9 | 2,490.7 | 1,935.4 | 11,557.3 | 1,196.6 |
| Current liabilities | 180.9 | 148.6 | 101.2 | 45.6 | 47.8 | 50.2 |
| **Total funds and liabilities** | 4754.1 | 4,035.4 | 3,501.2 | 2,844.4 | 2,456.6 | 2,187.9 |
| **Expense Pattern** | | | | | | |
| Education programme | 90.80% | 91.1% | 90.8% | 91.5% | 90.8% | 90.9% |
| Programme administration | 9.20% | 8.9% | 9.2% | 8.5% | 9.2% | 9.1% |
| | 100% | 100% | 100% | 100% | 100% | 100% |
| **Key Financial Ratios** (In times) | | | | | | |
| Current ratio | 6.6 | 6.3 | 7.5 | 8.2 | 4.2 | 3.6 |
| Cash to current liabilities | 1.2 | 1.0 | 1.7 | 7.4 | 3.3 | 2.8 |
| **Cash Flow Summary** (Rupees in million) | | | | | | |
| Cash flow from operating activities | (201.8) | (96.9) | 46.8 | 39.4 | 12.5 | (72.7) |
| Cash flow from investing activities | (761.3) | (737.2) | (928.2) | (367.8) | (405.2) | (415.0) |
| Cash flow from financing activities | 972.9 | 728.0 | 720.1 | 495.0 | 407.0 | 469.3 |
| Increase/(decrease) in cash and cash equivalents | 9.9 | (106.1) | (161.3) | 166.6 | 14.3 | (18.4) |
| **Other data** (Rupees in million) | | | | | | |
| Foreign exchange remittance (Pak Rupee equivalent) for all donations received | 1,079.3 | 962.0 | 851.0 | 680.0 | 519.0 | 506.0 |
| Tax deducted and deposited into government treasury as withholding tax agent | 33.3 | 36.0 | 30.0 | 24.0 | 23.0 | 20.0 |

### Benefit to Donor - Tax Exemption for The Citizens Foundation

Through Finance Act, 2012, the name of The Citizens Foundation has been added in a new sub-clause (ia) of clause (61) of Part I of Second Schedule of Income Tax Ordinance, 2001. Effective 01 July 2012 an individual or association of persons can avail payment of any donation amount to The Citizens Foundation as admissible deduction up to thirty percent (30%) of their taxable income of the year. A company can also avail payment of donation amount to The Citizens Foundation as admissible deduction up to twenty percent (20%) of its taxable income of the year.

# TCF Organogram



# Members of TCF General Body

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

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

**Ms. Amna Zahid**
Date of Joining: 12/04/2013

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

**Ms. Bushra Tayyeb Afzal**
Date of Joining: 08/05/2008

**Mr. Danial Malik Noorani**
Date of Joining: 12/04/2013

**Mr. Imtiaz Dossa**
Date of Joining: 08/05/2008

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

**Mr. Musadaq Zul-Qarnain**
Date of Joining: 04/03/2013

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

**Ms. Nighat Daudi**
Date of Joining: 12/04/2013

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

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

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

**Ms. Roqaiya Riaz**
Date of Joining: 12/04/2013

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

**Ms. Saima A. Khwaja**
Date of Joining: 12/04/2013

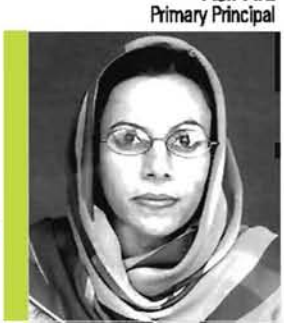
**Mr. Shahab Haider**
Date of Joining: 08/05/2008

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

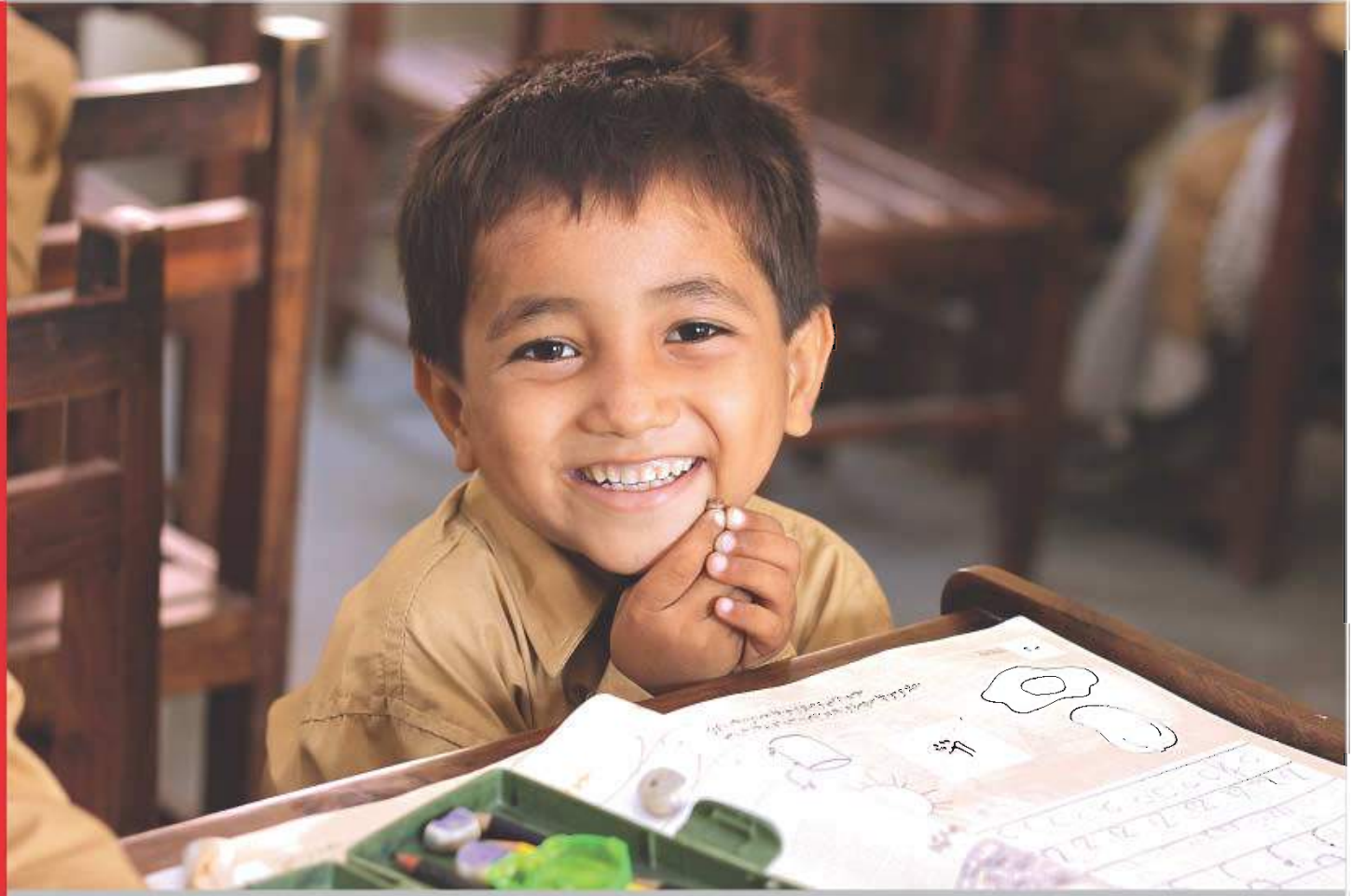
**Tariq Hussain**
Date of Joining: 12/04/2013

*In alphabetical order with first names*

**Asif Ara**
Primary Principal



*"A good teacher is like a candle - it consumes itself to light the way for others."*
*— **Mustafa Kemal Ataturk***



# Board of Directors and its Committees

## Board of Directors

TCF Board consists of the Chairman, and Directors of TCF, who meet regularly to provide guidance and support to the organization.

## Governance and Nominating Committee

It comprises of at least four directors. The committee is formed to evaluate the effectiveness of the Board and to assist the Board in the discharge of its functions as well as to ensure compliance with governing principles of TCF. In addition to it, it evaluates and recommends/nominates qualified candidates for Board membership, structuring, reviewing and monitoring individual or collective responsibilities of the Board and its members. The Committee is formulated to take a leadership role in shaping the code of business for TCF (governing principles) to keep them aligned with International Best Practices.

## The Executive Committee

The Executive Committee (EC) has been instituted by the TCF Board of Directors, the objective of which is to keep the Directors updated with the projects and progress of the operations of TCF as well as to assist the Board in advising TCF management towards overall improvement. The EC comprises of the Chairman, three directors and the Chief Executive Officer. Key responsibilities of the EC include:

1. Review progress of projects and operating activities of TCF.
2. Review overall progress of the quality of education in TCF schools.
3. Assist the Board with respect to various steps for improvement in the overall performance of TCF management.

## Audit Committee

The committee comprises of six members, all of whom are in Non-Executive. 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, polices, procedures and controls implemented within TCF.

## Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee is to assist the Board in fulfilling its obligations relating to the human resources and compensation policy, and to establish a plan of continuity and development of senior management for TCF. The Committee comprises of five members, Chief Executive Officer, two Directors, a Vice President and an External Advisor.



## Investment Committee

The committee comprises of five members. The purpose of the committee is to maximize the return on investments of funds by formulating a minimum risk portfolio. The funds are placed in those institutions which meets the satisfactory criteria laid down in the Investment Policy duly approved by BOD. The performance of portfolio is reviewed by the Committee on timely basis.

## Procurement Committee

The committee comprises of three members. The purpose of the committee is to review the major decisions of the Procurement department on the basis of quality, cost, quantity, condition, locations, documentation and timeliness of delivery. These decisions must be compliant with best practices and policies and the committee will oversee the performance on timely basis.

**Zunaira Khushnood**
Primary Teacher



*"True teachers are those who use themselves as bridges over which they invite their students to cross; then, having facilitated their crossing, joyfully collapse, encouraging them to create their own." — **Nikos Kazantzakis***

# 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, 2013.

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's International Family.

### Operating Results

The Operating Results of the Foundation have been discussed in detail in Chief Executive's Report.

## Statement on Corporate and Financial Reporting Framework

- These financial statements, prepared by the management of the Foundation, present fairly its state of affairs, the results of its operations, cash flows and changes in funds and reserves.
- Proper books of account of the Foundation have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent 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 company's Ordinance 1984. In case requirements differ, the provisions of or directives issued under the company's 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.

## Attendance of Directors in Board Meetings

Five (5) board meetings were held during the financial year ended 30 June 2013 and attendance of each Director in those meetings is given below:

| Name of Directors | Eligible to attend | Attended |
|---|---|---|
| Mr. Mushtaq K. Chhapra | 5 | 5 |
| Mr. Ahsan M. Saleem | 5 | 5 |
| Mr. Ateed Riaz | 5 | 5 |
| Mr. Ishaque Noor | 5 | 2 |
| Lt. Gen. Sabeeh Qamar-Uz-Zaman, Retd. | 5 | 1 |
| Ms. Nilofer Saeed | 5 | 5 |
| Mr. Syed Asaad Ayub Ahmad | 5 | 5 |
| Mr. Rashid Abdulla | 5 | 0 |
| Mr. Musadaq Zulqarnain | 3 | 1 |
| Mr. Shahid Abdulla | 3 | 1 |
| Mr. Adnan Asdar | 3 | 1 |

During the year Mr. Musadaq Zulqarnain, Mr. Shahid Abdulla and Mr. Adnan Asdar were elected as Directors of the Foundation in the election of Directors in Extra Ordinary General Meeting held on April 12, 2013.

## Transaction with Related Parties

Related parties include associated undertakings having common Directors and key management personnel. The Related party transactions were mainly comprised of:

a) Rs. 60.92 million (2012: 38.32 million) as Donation/Service received from the companies, in which Directors of the Foundation are also holding directorial positions.

b) Rs. 5.85 million (2012: 6.57 million) in respect of Donations from the Foundation's members.

**Tayyaba Khanum**
Primary Principal



*"One child, one teacher, one book and one pen can change the world."*
*— **Malala Yousafzai***



## 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' guideline 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.

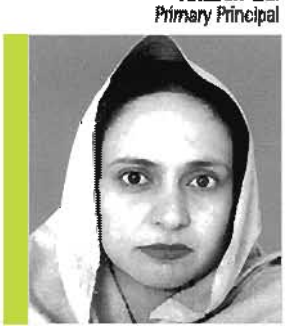
## Chief Executive's Report

The Directors endorsed the contents of the Chief Executive's Report (on page no. 27) for the year ended 30 June 2013 which contains the state of the Foundation's affairs, operational perfomance and other requisite information. The contents of the said review shall be read along with this report and shall form an integral part of the Directors Report in terms of Company's Ordinance 1984.

Chief Executive Officer

Director

**Khizran Gul**
Primary Principal



*"Teachers are our greatest public servants; they spend their lives educating our young people and shaping our Nation for tomorrow." — **Solomon Ortiz***




# Chief Executive's Report

## I present to you the Annual Report of the Foundation along with the audited financial Statement for the year ended June 30, 2013.

### Financial and Operational Performance

The Foundation Balance Sheet continues to remain healthy with a footing of Rs. 4,754 million as of June 30, 2013, as compared to Rs. 4,035 million as of June 30, 2012. The operating results of the Foundation as detailed in the Income and Expenditure Account for the year ended June 30, 2013 shows operating expenses increased by 22% The increase in School Education Programme expenses was 22%, which was mainly due to addition of new school units, introduction of new books, rise in prices of books, copies, uniforms and other supplies, increased school vehicle running and maintenance expenses and general inflation etc. Programme administration expenses increased by 26%, mainly attributed to increase in salaries and other benefits and other expenses. Salaries and other benefits mainly increased due to new hiring annualized impact of filling of vacancies, extending group insurance benefits for the first time to employees and general inflation. The management maintained strict control on Programme Administration expenses and once again managed to keep it below 10% of total operating cost. However to keep it within the threshold of 10% would be very challenging in future.

The Donation income for school support increased by 18%. It was mainly achieved due to receipt of various grants. No provision for taxation has been made in the financial statements as the Foundation is an approved not for profit organization under section 2 (36c) and enjoys exemption from Income Tax under clauses (60), (66) and (92) of Part I of Second Schedule to the Income Tax Ordinance, 2001. Further by virtue of exemption under clause (61) of Part I of the Second Schedule to the Income Tax Ordinance, 2001, any donation made by a donor to The Citizens Foundation shall be allowed as admissible deduction as per prescribed limits.

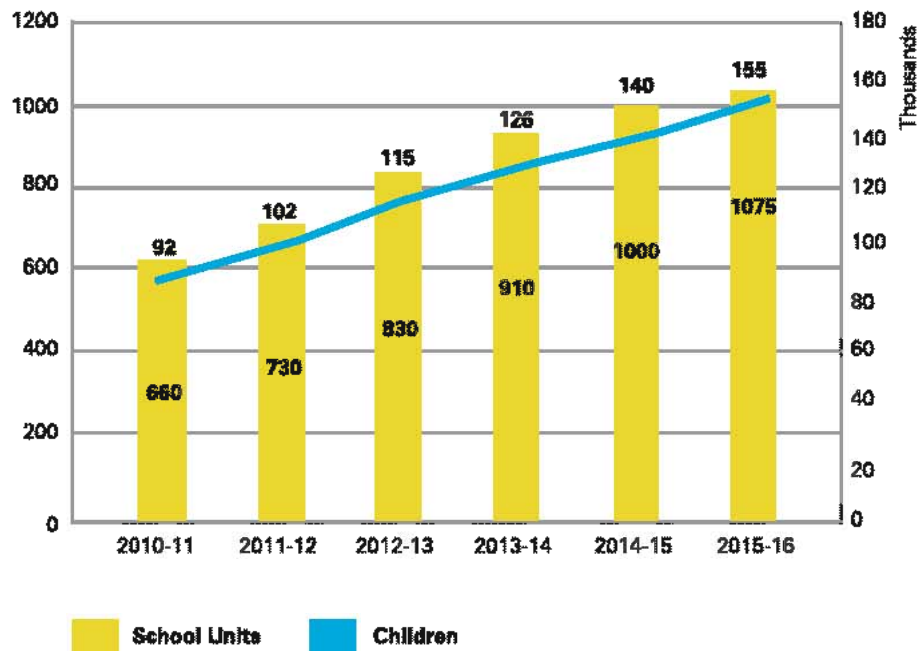
The Citizens Foundation is exempted from Income Tax whereas the supply of goods and services to The Citizens Foundation are subject to withholding tax. Most of our suppliers load the withholding tax component in their price to us, which results in an increase in cost of educating a child. We strongly request to the Government that like exemption of income tax granted to the Foundation, the supplies to the Foundation should also be exempted from deduction of tax at source which will provide the opportunity to the Foundation to impart education to the less privileged class of the society at a lower cost. Certain purchases of the Foundation are also subject to charge of the General Sales tax, which also results in higher costs of educating a child. The Foundation urges the Government to exempt such supplies to The Foundation which are subject to levy of General Sales tax.

During the year, Foundation has also received a Shariah Compliance certificate which confirms that the Foundation collects and spends Zakat money in accordance with the instructions of Shariah. It is also specified therein that whosoever will give Zakat to TCF their Zakat will be disbursed as per Shariah rulings.

## Annual Review

Today Alhamdulillah, as TCF completes its 17th year of operation, we are now successfully managing 670 primary school units and 240 secondary school units across Pakistan and Azad Jammu and Kashmir. Our momentum of opening new schools reached another landmark with 80 new school units opened in current year in far flung locations including Taunsa Sharif, Kot Radha Kishan, Mirzewala and Pakka Chang.

A six year graphical view of growth in School units and the number of students is given below which also include the plan status of 2014-15 and 2015-16.




This year 11,000 girls and boys joined hundreds of TCF School units. It entails a sense of greater responsibility on us to ensure that the standard and quality of education is maintained and delivered efficiently. This year TCF Education Team has introduced social studies books for secondary schools (following the social studies series introduced last year for primary school) designed by experts in collaboration with TCF Academics' team. These books are accompained by teacher's guides.

Naureen Khaliq
Primary Principal



*"A good teacher teaches his students to respect him; a great teacher teaches them to disagree with his own opinions while respecting them."*
***— Yasir Qadhi***

This Academic year witnessed our network increase to 910 school units. With this strength of network and experience, we strongly felt a need to evaluate the possibilities through which the impact of TCF can be further magnified. Therefore, we have set up a Strategic Development Unit. The objective of this Unit is primarily to develop a ready-to-use Primary School kit, referred to as 'TCF in a Box'. In addition, this unit will conduct feasibility studies on some possibilities TCF can focus on, that can contribute to improvement in Pakistan's education landscape. Results emerging from these may become part of the Foundation's future strategy.



This year SAFA Awards ceremony for the Best Presented Annual Reports 2011 was hosted by the Institute of Chartered Accountants of Srilanka at Colombo. I feel proud to announce that TCF received SAFA 2011 Award of Merit for the 'Best Presented Annual Report' in the Non-Governmental Organizations (including NPOs) Sector. This award is considered as the most prestigious accolade for financial reporting in the South Asian region.

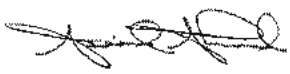
I am pleased to share that The Skoll Foundation (based in USA), presented TCF with Skoll Award for Social Entrepreneurship (SASEs) during an elaborate ceremony in Oxford, UK. Chosen from hundreds of applicants, Skoll award recognizes the people and programmes already creating positive change, by providing funding to grantees, along with connection to Skoll's network of social entrepreneurs and other innovators across the world.

Every year TCF conducts numerous Annual Programmes and Volunteer-led activities, which include Rahbar Programme, Alumni Programme, Vocational Training Programme, Summer Camp, Career Counseling Programme and Adult Literacy Programme. Some programmes have been further discussed on page no. 50-51.

TCF is currently using many business applications, which include Microsoft Dynamics Suite (GP & CRM) HRMIS Application and School Management System (SMS). The Foundation also has certain vital IT Security Policies and Procedures in place such as IT Information Security Policy, IT Standing Operating Procedure, Disaster Recovery Plan and Risk Assessment Policy.

We are grateful to the All Merciful, with whose benevolence; TCF has been able to progress and maintain its credibility. TCF owes its success to every single individual who has either joined the movement or worked in any capacity with compassion to further the Cause. My humble and deepest appreciation for 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 and new supporters in Italy, Denmark and Netherlands who are committed to TCF and continue to create awareness and raise funds for the Education Programme. I would specially like to thank the young school and college going volunteers globally whose enthusiasm boosts TCF movement.

On behalf of the Board of Directors.



**Syed Asaad Ayub Ahmad**

Chief Executive Officer
July 31, 2013

**Sonia Saleem**
Primary Principal



*"Give your teachers the respect they deserve, because they are the ones who can help you get where you need to go."*
*— **Richard Howard***



### Adnan Asdar

Mr. Adnan is the co-founder of Multinet Pakistan (Pvt.) Ltd. He is also a partner at AAA Partnership (Pvt.) Ltd. He is currently involved with Karachi Relief Trust, to manage its volunteers, facilitate their immediate relief efforts and to reconstruct homes in the flood affected areas in Pakistan.



### Ahsan M. Saleem

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



### Ateed Riaz

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



### Ishaque Noor

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

# Profile of the Board of Directors



### Musadaq Zulqarnain

Inducted as a Director of TCF in April 2013, Mr. Musadaq Zulqarnain is the CEO of Interloop Limited including its subsidiaries in USA & Bangladesh and Euro Socks plus B.V. Netherlands. Mr. Zulqarnain has also held the position of CEO of FEDMC, formed to develop Industrial parks and infrastructure. He also presides Interloop Welfare Trust, which is engaged in numerous philanthropic activities in the country.



### Mushtaq K. Chhapra

Founding member on the Board of Directors of TCF and currently Chairman TCF, Mr. Mushtaq Chhapra 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.



### Nilofer Saeed

An entrepreneur and a successful businesswoman, Ms. Nilofer Saeed is a member of the Supporters of The Citizens Foundation (TCF) and has been inducted as a Director of TCF in December 2009. She has been presented with the Woman Entrepreneurship Momentum Award for 2010 and is also keenly involved in numerous charities.



### Rashid Abdulla

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



### Lt. Gen. (Retd) Sabeeh Qamaruz Zaman

Lt. Gen. Sabeeh Qamar uz Zaman, (Retd) is a Director of TCF since 1996. He has also served as Chief Executive Officer of TCF from 1995 till 2001. As CEO, he received a UN Award for "his and his organisation's outstanding work in support of primary education for boys and girls in under-privileged areas". He was awarded Hilal-e-Imtiaz and Sitara-e-Bisalat for distinguished service in the Pakistan Army.



### Shahid Abdulla

Mr. Shahid Abdulla is the principal architect and CEO of Arshad Shahid Abdulla (Pvt.) Ltd. He has been involved with various social projects in Pakistan and is also the founding member of Indus Valley School of Art and Architecture, The Hunar Foundation and The Kidney Centre.



### Syed Asaad Ayub Ahmad

Mr. Syed Asaad Ayub Ahmad is the President, Chief Executive Officer. He is a member of the TCF Board of Directors by virtue of his designation. He joined TCF in January 2009 and has previously worked for British Petroleum and Shell Pakistan Limited.

In alphabetical order with first names



Front row (standing left to right): Ali Raza, Seema Chapra, Sadaf Rehman, Brig. Sohail Saleem, Neelam Habib, Qamar Safdar and Isfandyar Inayat
Second row (standing left to right): Iqbal Abdulla, Ambreen Zaheer, Khwaja Bakhtiar Ahmed, Syed Asaad Ayub Ahmad, Brig. Sabur Ahmed Khan, Syed Nayab Shah, Amna Khalid
Third row (standing left to right): Tabish Shahzad, Lt. Col. Agha Mehmood, Badr Mir, Riaz Kamlani

# TCF Management

**Chief Executive Officer**
Syed Asaad Ayub Ahmad

**CFO & VP**
Khwaja Bakhtiar Ahmed

**Company Secretary**
Mohammad Amin

**GM Resource Mobilization**
Badr Mir

**GM Resource Mobilization**
Ali Raza

**GM Strategic Development Unit**
Isfandyar Inayat

**GM Operations**
Brig. (R) Sabur Ahmed Khan

**Head of Human Resource**
Seema Chapra

**Head of Engineering**
M. I. Ali

**Head of Volunteers & Alumni**
Shazia Kamal

**Head of Education**
Qamar Safdar

**Head of IT**
Iqbal Abdulla

**Head of Grants**
Sadaf Rehman

**Head of Business Process Improvements**
Amna Khalid

**Regional Managers**
Brig. Tariq Ali Khan (South)
Syed Nayab Shah (North West)
Brig. (R) Sohail Slaeem (North)

**Senior Manager Supply Chain**
Lt.Col.(R) Agha Mehmood

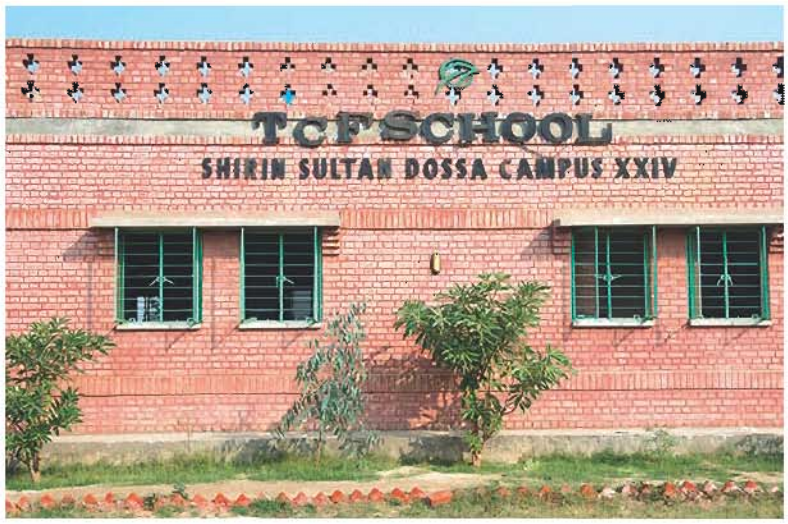
**Senior Manager Quality Assurance**
Ambreen Zaheer

**Senior Manager Resource Coordination**
Neelam Habib

**Senior Manager Marketing**
Tabish Shahzad

**Manager Internal Audit**
Rais Ahmed

# TCF Endowments (to-date)




## The Shirin Sultan Dossa Foundation

"Like so many other mothers, the late MRS SHIRIN SULTAN DOSSA believed passionately that by educating a girl you educate a nation. By the Grace of Allah, the Shirin Sultan Dossa Campuses were built, supported and endowed to fulfil and perpetuate that belief."




**Mrs. Saeda Mazhar Mahmood**
Endorsement: I read about General Sabeeh and his unique school system for the poor. After losing my only seventeen year old son, I was looking for a project to be named after him. Among others, I contacted Sukaina at TCF and after a thorough review, decided to adopt a school. I have realized that educating the children of the masses will take Pakistan forward. I urge others to donate, adopt or build a school so that we can have a 100% literacy rate like Kerala (India) Insha Allah.

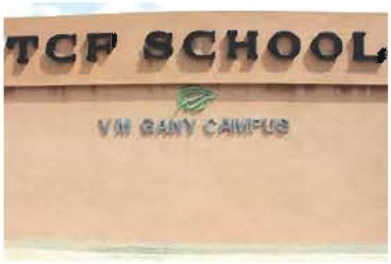



**Mrs. Yasmin Mowjee**
Endorsement: TCF has provided us with an opportunity to help young people acquire knowledge, the most precious gift of all, on a continuing basis. I really hope the building of schools upto the Senior level and the commitment of funds towards their Lifetime Support will ensure a better quality of life and citizenship in our country.

**Shaista Adil**
Primary Principal



*"It is the categorical verdict of all the nations and great seers of the world that national progress depends on education and training of the people."*
*— Sir Syed Ahmed Khan*




**Mrs. Banu M.A. Rangoonwala**
Endorsement: The ZVMG Rangoonwala Trust felicitates the efforts of The Citizens Foundation and its objective of enhancing educational opportunities for young people throughout Pakistan. It is in support of this objective ZVMGR Trust has assisted TCF's efforts by making a minor and sustainable contribution in the form of a school and an endowment to support it.




**National Bank of Pakistan**
Endorsement: NBP being nation's bank feels its top most responsibility to promote education in every corner of Pakistan so that the most vulnerable masses can have easy access to quality education. In making this task possible, National Bank highly appreciates the role of TCF for providing them the platform through which this noble cause has been fulfilled.



**TCF-USA Connecticut Chapter led by Mateen Haider**
Endorsement: The Connecticut donors have been ardent supporters of TCF for nine years, they love what TCF is doing for less privileged children in Pakistan. They are very generous with their donations because of the transparency that TCF provides and the fact that the majority of their donations end up benefiting the students. Becoming 'Life Time Supporters' of the Primary School in Taiser town, a 'Sadqa-e-Jaaria' has made them very happy.




**Pakistan State Oil Company Ltd.**
Endorsement: The nation's leading public sector Company, Pakistan State Oil (PSO) is striving to uplift the populace of the country by providing for the educational needs of the people. Determined to do ever more, PSO is working to make a difference for the citizens of Pakistan through its efforts in various socio-development fields including education, health and community development.

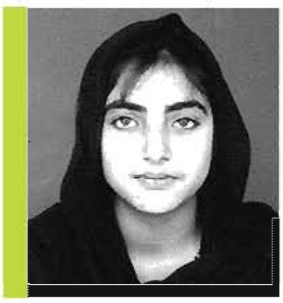



**The University of Texas at Austin Alumni**
Endorsement: We the UT Austin Alumni are proud to be a part of the immense effort by TCF to educate Pakistani children. TCF by far is one of the best managed and focused organizations with sustained and measureable results year after year. We are honored to partner with TCF in bringing a lifetime endowment for a school to educate the children of Taiser Town and in giving these kids hope for a life of prosperity and good citizenship.




**Fezaan Group**
Endorsement: When you open a school door you close a prison door.

**Fozia Saddique**
Primary Teacher



*"I am indebted to my father for living, but to my teacher for living well."*
***— Alexander The Great***




**HBL Foundation**
The Habib Bank Foundation is a philanthropist and social development organization of Habib Bank Limited (HBL). Which promotes development and wellbeing of the people of Pakistan. HBL Foundation has assisted TCF's efforts by making a supportable contribution in the form of endowment fund. This contribution has helped sustain quality of life for many young children of Pakistan.




**Crescent Steel and Allied Products Limited**
Crescent Steel and Allied Products Limited (CSAPL) is a conglomerate corporation consistently maintaining high quality norms in diversified businesses of engineering, textiles, capital markets and power. Having constructed 21 TCF school units, CSAPL has been generously committed to extending support for the TCF cause of considering education as a right and not a privilege. Our ultimate success is measured by our students and CSAPL's efforts have helped sustain quality of life for thousands of deserving children.

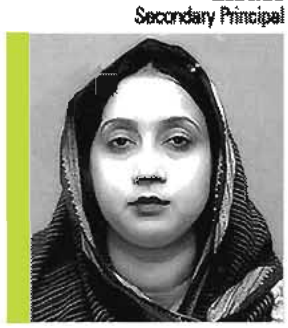


**Ateed Riaz, Ameed Riaz and Naveed Riaz**
Mr. Ateed, Mr. Ameed and Mr. Naveed Riaz have contributed towards the endowment fund to ensure sustainability of the organization. This contribution will help sustain education and quality of life for the children of Pakistan.



**The Noorani Family**
The Noornai Family have contributed towards the endowment fund to ensure sustainability of the organization.

**Zubaida**
Secondary Principal



*" Great teachers transcend ideology."*
*— **Suzanne Fields***



**Maskatiya Charitable Trust**
Since its inception in 2003, Maskatiya Charitable Trust (MCT) has ensured that less privileged students have access to quality education. This has enabled many students to escape illiteracy and engage in meaningful livelihood. MCT has been a strong supporter of TCF in its efforts to fulfill the essential needs of the deserving children in Pakistan.



**Pakistan American Supporters of TCF**
The Pakistani American Supporters of TCF have contributed towards the endowment fund to ensure sustainability of the organization.



**Khalid Mahmood Akbar (Late)**
Endowment fund is created to ensure sustainability of the organization.



**Karachi Grammar School, class of 1975**
The KGS class of 1975 have contributed towards the endowment fund to ensure sustainability of the organization.

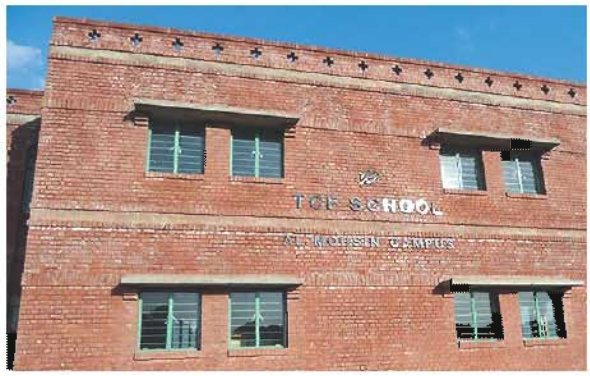
**Asma Parveen**
Senior Primary Principal



*"Teachers are out there with a very difficult job, which they pursue with tireless dedication."*
*— Chi McBride*



Aitemaad Pakistan Trust Campus




Al - Mohsin Campus

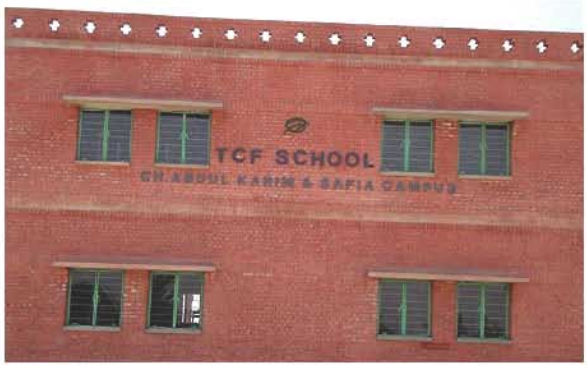
# A look into new TCF schools



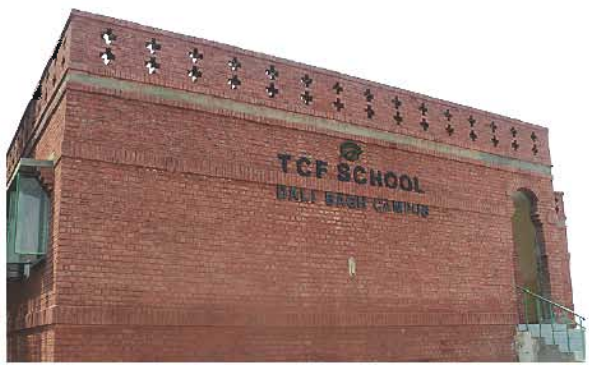
Alam Foundation Campus V



Bank Alfalah Campus




Ch. Abdul Karim & Safia Campus




Dali Bagh Campus

## DONOR ENDORSEMENTS

**Aitemad Pakistan Trust — Aitemad Pakistan Trust Campus**

"We are honoured to be a small part of the outstanding effort that TCF has put in towards the development of schooling in Pakistan."



Deena Minoo Mistri Campus



DFW Campus II

# built in the year 2012-13



Dr. Meherunissa Rehmani Campus



Gulbano Lakhani Campus



Houston Group Campus

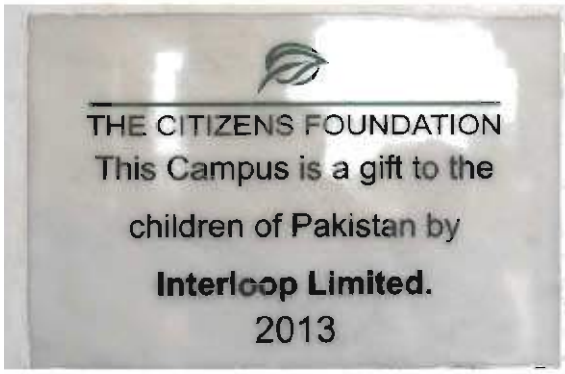


Houston Group Khairpur Campus

## DONOR ENDORSEMENTS

Dr. Farouq Ahmed — Ramzan Bibi Campus

"I sponsored a primary school with TCF in my home district of Gujranwala in 2012.The school was completed on schedule. I visited the school in the fall of 2012. It was heart warming for me and my family to see this beautiful pink brick building at the edge of the village. It filled me and my family with pride and gratitude to see a bunch of happy kids,both boys and girls in uniform and all female teachers full of energy and excitement. I have been very impressed with the professionalism and dedication of TCF and their staff."




Interloop Campus -VII - Dasuha



Interloop - Dobotex Dokvast Campus VI




Interloop Campus VIII



Inwood Campus



Mahamed Family Campus



St. Louis, Missouri Campus

## DONOR ENDORSEMENTS

**Interloop Welfare Trust — Interloop VII, VIII Campus**
"We feel honoured to be a part of TCF in providing quality education facilities to the underprivileged, specially in remote areas, for which we are thankful to Allah Almighty."

**Shakil Anwar — NJ Chapter**
"80 More schools, 11,000 more students. TCF, this is your promise and our promise. You don't stop, We don't stop. Insha Allah."



Mohammad Ali and Shamim Campus



Nafisa Aslam Campus




Nazira Muslim Campus



New Orleans Campus



Qazi Abdul Karim & Qudrat Bibi Campus



Rita Dunleavy Campus

## DONOR ENDORSEMENTS

### Calgary Chapter Support Group — Al Muhaimin Campus

"We are pleased to be part of such a great work TCF is doing in promoting education in Pakistan. The future of Pakistan lies in the hands of educated Nation. Thanks to TCF for providing us the opportunity to be part of the team."

### Saleem Ahmed — Cleveland Campus

"Hats off to all TCF personnel for carrying out the outstanding task of educating our under privileged children of Pakistan. Hope we reach 1000 Units soon, Ameen."



Salim A Zubairi of Habib Bank (Campus II)



Seattle Campus VIII




Shahabudin and Ghulam Sakina Moghul Campus



Shirin Sultan Dossa Campus IX



Shirin Sultan Dossa Campus XIII




Shirin Sultan Dossa Campus XVIII

## DONOR ENDORSEMENTS

### The Shirin Sultan Dossa Foundation — SSDC XVII, XVIII, XI (Extension)

"The Foundation's motivation is that educating a girl yields inspirational life changes for her, her family and future generations."



Sultan Mowjee Campus


TCF Michigan Campus


The Capitol Campus III


UBL - Campus


Zubeda Haji Adam Campus

## DONOR ENDORSEMENTS

Mrs. Yasmin Sultan Mowjee — Sultan Mowjee Campus
"I am eternally grateful to Allah for having given me this opportunity to help in education through TCF- an inspirational organization."

Salam Nalia — TCF USA Board
"Outstanding. Solitary gem in the land of despair!"



# PROGRAMMES





# Initiatives in the Education Programme

## Education Highlights

Great teachers help create great students. Research shows that an inspiring and informed teacher is the most important component of a school. Teachers are involved in influencing student's achievement, so it is critical to pay close attention to the training and support of these educationists. Here one needs to keep in mind the fact that effective school leadership plays a key role in large scale sustainable educational reform. Keeping in mind the significant role a teacher plays in the child's learning process, the training programmes at TCF are a necessity for faculty.

## Assistant Education Managers (AEM) Conference

The highlight of this year was the AEM Conference. This conference was organized from September 6 to 11, 2012. The main objective of the AEM Conference was to enable the AEMs to better understand their roles and responsibilities in relation to school improvement. As a result each AEM developed an Area Improvement Plan (AIP) of respective cluster of schools based on goals that she had targeted. These AIP's were presented to the CEO and the management so that everyone is informed of what is happening at TCF schools.

## Principal's Academy

Leadership provides the vision, the direction and the energy for school improvement, while day-to-day strategies come from management. Research in the west shows a direct link between the quality of educational leadership and the quality of student learning outcomes. The Annual Principals Academy programme was conducted this year to introduce principals to the revised principal's manual. This manual contains policies and procedures of school management. By the end of the session the participants were satisfied and confident in managing their day-to-day tasks. We are pleased to announce that 484 principals participated in this session. They were all divided in twenty groups. The Principal's Academy continued for three months from October 2012 to February 2013.

## Training Endeavours

This year the Pre-Service training session was conducted in two modes. One was the Direct Mode, which was for new staff hired at annual induction for new locations, extensions, and afternoon shifts. The Manual was prepared by the training team for Pre-Primary and Secondary classes. The second mode was the self study pack which was for the new staff of existing schools hired through annual induction or during academic session. In this regard a manual was prepared for pre-primary, primary, secondary and ELTs. The self study pack gives teachers the background information of TCF. The hands-on activities give them an opportunity to experience the teaching and learning process. Training of trainers sessions were organized for the orientation of taught modules. This year the taught modules were lesson plans prepared for the teachers of primary and secondary classes. Additionally, three generic modules were also part of the ToT programme; child-centred classroom, team building, and classroom questioning. These training sessions were conducted for 500 trainers from April 2013 to June 2013. The In-service training programme takes place in the month of June and July. This year, the goal was to enable the teachers to prepare and deliver lessons more systematically and thoroughly. Apart from the generic modules, subject based modules were developed especially in Maths and Science for Primary and Secondary level.The demonstration of the prepared lesson plans enhanced teachers' confidence and equipped them to plan lessons independently.

Physical Education Programme In the year 2012 had eight members from TCF as part of a British Council project of 'International Inspiration.' The aim of this programme was to develop leadership awareness among young people and teachers, through sport, arts and international educational links. Physical education program in the year 2012 had 8 members from TCF as part of a British Council project of 'International Inspiration.' The aim of this program was to develop leadership awareness among young people and teachers, through sports, the arts and international educational links. Various sports activities were outlined and distributed to schools titled as 'Top Cards' for promoting sports activities. The training team translated these 'Top Cards' in urdu to facilitate TCF Schools.

## 'Hamari Dilkush Duniya'

The Academics team had a clear focus on developing books for children that not only are in accordance with the National Curriculum but also help develop students' civic competencies and skills. The Social Studies book titled 'Hamari Dilkush Duniya' developed in collaboration with the Educational Resource Development Centre is a healthy blend of History, Geography and Civics. To date Books 1-5 have been published for Classes I-V and in the coming two years books 6-8 will be developed. The Academics team will also be focusing on developing a mathematics series for students as good maths texts in which the basics are clearly explained are hardly available. This year in collaboration with the Ilm Foundation, Mutaala-e-Quran Books 1-3 have been introduced in Classes III-V to further enhance and complement their Islamiat texts.




**Safia Irfan**
Senior Secondary Principal



*"Without education it is complete darkness and with education it is light."*
*— M. A. Jinnah*



## Other Initiatives

In order to foster healthy competition among students and also familiarize them with known personalities the students of TCF were divided into four houses. Children have taken an avid interest and also managed to help their classmates belonging to their respective houses to make efforts to improve their academic and co- curricular activities.

Students also take part in the Seed of Hope Programme where each child nurtures a plant and helps keep our planet green.

On Youm-e-Araish students along with the staff clean their classes giving them a sense of ownership and achievement.They actively use the library in their reading periods where they borrow books from the library and read at their leisure.

## External Academic Evaluation

Monitoring and evaluation division conducts two examinations (half yearly and annual) in TCF schools across Pakistan. To ensure integrity and transparency of the examination process, question papers were developed and sent. The results were recorded in the School Management System (SMS) for further analysis. Average Percentage Results are calculated. This year the team executed Teachers Subject Competency test during INSET. Approximately 6000 teachers and principals employed in TCF across Pakistan participated in this activity.

In order to assess the quality of education being imparted to our students, an external evaluation was done in collaboration with the Aga Khan University, Institute for Educational Development (AKU-IED). The objective of the research was to assess the learning of TCF students and to evaluate the efficacy of the system. The study was based on 65 principals, 332 teachers and 3082 students. The research focused on the quality of teaching and learning.

**Shabnum Shahzadi**
Primary Principal



*"Teachers are expected to reach unattainable goals with inadequate tools. The miracle is that at times they accomplish this impossible task."*
***— Haim Ginott***




# Ninth TCF Awards for Faculty

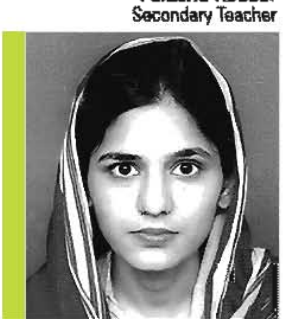
TCF Awards are held every year to acknowledge TCF Faculty. TCF started giving awards to its teachers in 2003. Categories for the awards including Long Service (for 5, 10 and 15 years of service), 100% attendance, 100% attendance for five consecutive years, excellent Matriculation results and Tamgha-e-Tahseen for teachers who contributed something exceptional and creative during the academic session.

The Ninth TCF Awards took place across seven different locations across Pakistan to honor TCF Faculty. From November 2012 to January 2013, the ceremonies were organized respectively in Qasba Gujrat, Faisalabad, Lahore, Islamabad, Khushab, Petaro and Karachi. At the ceremonies in these cities, apart from bestowing awards on faculty, 48 silver medals were awarded to those TCF students who secured A+ grade in board examinations. Also this year, TCF was proud to hold their biggest ceremony at their TCF School Shirin Sultan Dossa Campus XVI- Qayyumabad in Karachi.

The highlight of this ceremony was when renowned artist, Adeel Hashmi walked up to the stage to acknowledge and appreciate the efforts of TCF teachers and lauded the commitment of TCF teams to impart quality education to less privileged children across Pakistan. One of our grade IV student dedicated a song to Adeel Hashmi & confidently performed in front of the huge audience.

Stressing on the role of teachers in child development, Chairman and Founding Director of TCF Mushtaq K. Chhapra acknowledged TCF faculty's hard work. He shared that, "More than 250 female students of TCF have come back to teach in TCF Schools. They are a beam of hope for thousands of girls studying in different TCF Schools all over the country."

**Farzana Kouser**
Secondary Teacher

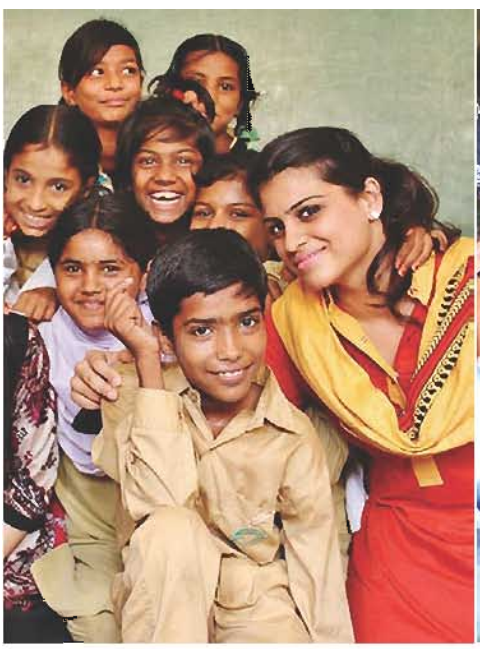


*"More books for children ought to be written by people in their own mother tongues. And, the quality of teaching and teachers should be improved." — **Anita Ghulam Ali***

# Annual Programmes and

## Summer Camp 2013

The annual summer camp is organized as a platform for mutual learning. The thought behind this year's camp was to provide three different avenues of learning; for students of grade III, IV and V. The students camped for two consecutive weeks excluding Sundays. Each hour was dedicated to a specific feature of learning; namely enhancing speaking skills, developing and building confidence through theatrical performances and playing sports and games.



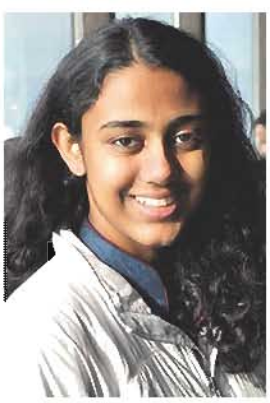


## Summer Camp Testimonial — Iman Sultan, USA

The summer before my junior year, I went to Pakistan, the land of my flesh and blood, from where my parents immigrated to the United States. This wasn't anything too special; I'd been visiting Pakistan since I was a baby every other summer or winter. What made it special this time, however, was the community work I would undertake. I was initially indifferent to this endeavor, perceiving it as an asset that would help me in the future upon applying to colleges. It turned out to be so much more.

Pakistan has all the symptoms of a nation reeling from colonialism: unstable government intermittently subject to military coups, weak infrastructure, absence of a middle class, and widening poverty. It were the children most acutely impacted by this post-colonialist culture that I would be working with.

They were beautiful and perfect in every way. They were proud and inquisitive, incredibly confident for children whose lives were rooted in poverty. Ironically, I was the



one who succumbed to meekness when they made fun of my American accent. The school building had no air conditioning and no electricity when load-shedding occurred, but the wide open spaces of the balcony and the courtyard alleviated the summer heat. It was a formative experience for me, a necessary one that propelled me to interact with people different from me in class, language, and nationality. But I discovered that they were not so different from me after all. They were just like me. They had the same dreams and desires I did. And while I did teach them, act as their proctor in this summer camp, they were the ones who opened my horizons and made me see new worlds I had never considered before.

**Ghazala Anwer Farooqi**
*Primary Principal*



*"The job of an educator is to teach students to see the vitality in themselves." — **Joseph Campbell***

# Volunteer-led Activities



## Rahbar Happenings 2013

The first ever Rahbar Consultative Workshop took place between December 7-9, 2012 at the Beach Luxury Hotel in Karachi. The workshop brought together the core Rahbar management team, and the leads from all over Pakistan. The main dynamics of the programme were discussed and evaluated in this three days workshop.

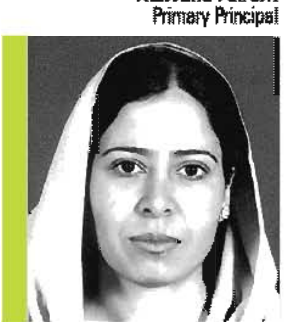
For the first time recorded in Rahbar's five year history, the programme saw one of TCF's alumni, Umer Yar, returned to the programme as a mentor. He came back to the very school that he had attended as a child, in Umer Maingal, for Rahbar's 11th phase, in October 2012.

In June, 2013 Rahbar completed it's 13th successful cycle. It was held across 13 different campuses across Karachi, with 194 mentors, and 600 students of class IX benefitting from the programme. For the second time, Rahbar was held in Quetta as well, conducted at the Merck Campus, involving 16 mentors and 54 students.

## Annual Dinner 2013

The TCF Annual Dinner was held on April 27, 2013. Head office and regional staff, Executive Advisor, STCF and Rahbar Council members were the invitees. It was a great opportunity for all the employees to interact and unwind. The prime objective of this event was to acknowledge the TCF fraternity for their dedication and committment. The award categories encompassed '10 Year Service Award', '5 Year Service Award' and 'Contribution Awards'. In the volunteers and supporters category was the STCF Award under which the 'Volunteer of the Year' and '16 Years of Contribution Awards' were presented. Another distinct category was the 'New Initiatives Award', which were given to three employees for taking innovative innitiatives in their respective departments. TCF documetary was also screened at the event.

**Rizwana Akram**
Primary Principal



*" Whoever learns, lives and teaches will be proclaimed in the kingdoms exalted."*
***..... The Prophet Essa***

## Wavetec raises awareness

Wavetec specializes in cutting edge information display solutions and customer experience management to drive value to their clients and empower their customers. Wavetec, in line with its committed focus on development of local communities, has been a partner in TCF's mission whereby it has been sponsoring education of students in TCF Primary School - Friendship USA Campus I in Bagan, Thatta. In addition, an LED placed by Wavetec near Hotel Metropole in Karachi has been assisting in raising awareness of TCF's mission since 2009 onwards. Mr. Ahmed Fraz - CEO Wavetec says, 'Education = Poverty Alleviation + Better Health. We at Wavetec believe in this equation and trust TCF to rightly spend our donations.'

## TCF students receive the gift of solar light

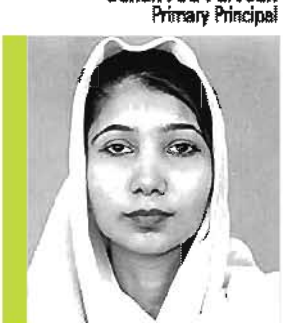
Recently, Karachi Electric Supply Company (KESC) distributed solar lights among deserving students at TCF School in Qayyumabad. In order to counter load shedding and power-cut issues, KESC gifted each child with a solar light gadget. Mr. Tabish Gauhar, CEO of KESC was present at a small ceremony along with Mr. Mushtaq Chhapra, Chairman TCF and Mr. Riaz Kamlani, VP TCF, where solar light packs were gifted to TCF students. TCF and KESC have recently signed a memorandum of understanding (MOU). According to this MOU, KESC is supplying free electricity at 320 TCF school units.

## Earth Day and Book Reading with TCF

Burj Bank at TCF Qayyumabad Campus on 18th April, 2013 conducted a CSR activity. In this activity approx 52 Burj Bank volunteers participated and spent some quality time with the students. The main objective of the event was to provide an interactive session on 'Earth Day' by conducting a book reading competition for younger kids (KG-Grade II) and a painting competition for older kids based upon the theme of Earth Day (Grade III and Grade X). A small interactive session on 'Earth Day' was also witnessed, where students were guided on how we can save our Earth. The top three painting winners were awarded with trophies.




**Jahan Ara Parveen**
Primary Principal



*"Teaching is the greatest act of optimism."*
***— Colleen Wilcox***

## Barclays, TCF Filming

Barclays conducted a filming shoot at TCF Qayyumabad Campus on 25th April, 2013 in collaboration with INJAZ Foundation. Approximately 56 students were present for the activity which turned out as a mentorship programme as well as providing a platform for Grade XI and X students on entrepreneurship management. Students were given participation certificates from INJAZ Foundation and top three group winners were awarded winning competition certificates. Interviews recordings were conducted with four TCF students and Ali Raza - General Manager TCF. Barclays have been a staunch TCF supporter, in Karachi and Lahore through Rahbar, Career Counseling, Zakat Campaign and by supporting 20 libraries and computer labs.




## Unilever Programme Highlights

Unilever Pakistan is known to be a consistent supporter of 10 TCF School Units across Pakistan. Recently a payroll presentation with Unilever Employees was held on 23rd Jan, 2013, headed by Mr. Ali Raza. The funds were utilized under 'Educate-A-Child' scheme by which TCF was able to impart quality education to 30 bright and deserving students by accommodating their expenses on books, copies, uniforms and tuition fee.

Global Hand washing Day by Lifebuoy Pakistan - was celebrated with 600 Unilever employees, including the Chairman and his senior leadership, went to more than 35 TCF schools across Pakistan to reinforce the benefits of washing hands with soap. In one week, employees across factories, sales offices and the head office, went to schools and inculcated the habit of hand washing in children by playing educational games, teaching the correct technique and key occasions of hand washing with soap.



**Sidra Zulfiqar Bhatti**
Primary Principal



*"When a nation becomes devoid of arts and learning, it invites poverty. And when poverty comes it brings in its wake thousands of crimes."*
*— **Sir Syed Ahmed Khan***


SUPPORTERS
UNITE



## Queen's Diamond Jubilee Medal

TCF Canada was awarded the Queen's Diamond Jubilee Medal in recognition of their service by the Governor General at a brief ceremony on August 3, 2013. The medals and associated certificates were presented to Mr Aziz Rakla, Director and President, and Mrs Najma Shamsi, Director, TCF Canada, by Honourable Senator Salma Ataullahjan at the TCF headquarter in Mississauga, Ontario.

# TCF Canada Update

TCF Canada is proud to share this year's growth of its presence across the country with Annual Galas and Fundraisers held by new chapters in Montreal and Regina. Along with Toronto and Calgary, there are currently four active chapters in Canada. TCF Canada leadership would like to recognize (late) Dr. and Mrs. Matloub Hassan and Dr. Moin Kirmani in Montreal, Dr. Haji Ebrahim Chalchal in Regina and Mr. Ayaz Channa in Calgary for their relentless efforts to help raise funds and awareness.

## Golf Tournament

In summer 2012, a group of urban professionals and students from Toronto organized a fundraising golf tournament at the Highlands Golf Course in Bradford, Ontario. Seventy two golf lovers collectively raised funds for TCF School - Toronto Professionals Campus. Ms. Najma Shamsi, one of the founding members of TCF Canada and a current director, spoke at the event.

## Young Professionals for TCF Event

Organized entirely by young volunteers and members, a fundraising dinner was held on November 10, 2012 to raise money to help support TCF schools. Held at the historic James Cooper Mansion, in downtown Toronto, it featured a presentation on the charity's work in Pakistan. Approximately 80 young professionals and students from the greater Toronto area attended the event.

## TCF Canada Annual Gala & Fundraiser

On April 6th, 2013, TCF Canada held its Annual Gala and fund raising dinner at Dreams Convention Centre in Brampton, Ontario. With a record turnout of over 600

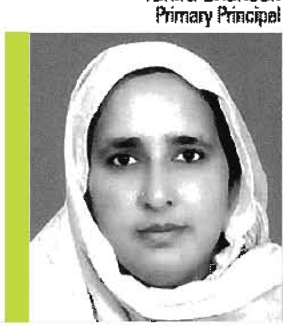


guests, the event featured a message of support by Pakistani Consul General, Mohammad Nafees Zakaria, and a motivating keynote address by the Director at the Office of Equity, Diversity and Human Rights at the City of Toronto, Ms. Uzma Shakir. A community-based researcher and activist, Ms. Shakir is a long time supporter of TCF Canada. President of TCF USA Houston Chapter, Abdullah Jaffri, and Ms. Najma Shamsi, led the evening's fundraising efforts.

## TCF and United Way Canada

TCF Canada is now one of the accredited charities associated with the United Way of Canada via which donors can contribute funds to TCF through the United Way charity programmes at their various places of employment. United Way of Canada is present throughout the country in corporate and social sector.

**Tahira Shaheen**
Primary Principal



*"No one is more important to the future of our state than our teachers."*
*— Mike Huckabee*

## TCF Zakat Campaign

Zakat is a wonderful feature of our faith. With the onset of Ramadan we seek Allah's forgiveness and thank for His countless blessings. In Arabic, Zakat means purification, growth and blessings. It reminds us to be appreciative of the blessings that have been bestowed upon us, and to help empower those less privileged in form of Zakat. One's generous donation to 'Support-A-Child' provides an opportunity for these children with the potential to choose a better life for themselves and their family.

TCF believes in collecting Zakat as per Shariah instructions. Through this procedure all Zakat money is utilized for meeting the direct and indirect expenditures incurred in respect of deserving students. In order to follow the Shariah-compliant Zakat mechanism, TCF ensures the following:

- Written consent is obtained by TCF from parents/ guardians of deserving TCF students to make TCF an agent on their behalf to collect Zakat money for their children's education.
- Zakat received is then deposited in a Shariah-compliant bank account to keep it separate from other funds.
- All Zakat money is utilized for meeting the direct and indirect expenditures incurred for deserving students. It is ensured that Zakat collected is spent within the same year.
- A Shariah Advisor has been appointed to ensure that all procedures for collection and utilisation are 100% compliant.




TCF launched it's Zakat campaign in mid-June this year. Our supporters were generous in helping with the outdoor and print advertising spaces. Collateral materials were designed and displayed for mass awareness to encourage MNC's, banks, clubs and educational institution's participation. Multiple alliances were established with the corporate sector to boost the outreach and getting the message across.

# STCF in Pakistan: Roundup

During September 2012, the supporters in Singapore organized a special TCF Stall at the widely attended Pakistan Bazaar.

In October 2012, STCF in Islamabad raised huge funds by selling tickets to an extremely popular satirical play by stalwart Anwar Maqsood called Pawney Chauda Agast in Islamabad. In the same month, STCF in Karachi took fundraising to an all together different level. The dedicated, ladies organized Interschool Singing Competition 'Obhartay Sitaray' for more than 70 private schools. The grand finale was held at a distinguished hotel on October 18, 2012.

## Rejoice the sensational 70's

An evening to rejoice the sensational 70's was held at The Court Marquee. STCF would like to thank Mrs. Afshan Soorty for sponsoring the venue and Mr. Naveed Sherwani from Chef and Butlers for providing catering for more than 400 guests.

## Lo Phir Bahaar Aai

Held on February 03, 2013, this evening was a combination of music and humour. It featured renowned artists like Tahira Syed, Ali Safina, Bushra Ansari and Arshad Mehmood.



**Seemi Zehra**
Primary Principal



*"A true teacher doesn't teach you to think like him, but to think without him."*
*—— Tariq Ramadan*

# TCF UAE Update

## TCF Ladies Group

TCF Ladies Group led by Mrs. Sameena Ahmad has been a constant source of support in helping promote TCF in the UAE. The committee invited members and their friends to a fun-filled evening hosted by Mrs. Saba Raheel Ahmed in November 2012, to raise support for the Cause.

## Dubai Cares Walk

TCF supporters participated in a walk held by 'Dubai Cares' in February 2013. The walk was arranged to express support for millions of children in developing countries who have little or no access to quality primary education. Over 200 TCF Supporters accompanied with their families participated in the walk to support 'Dubai Cares' and TCF.




## Basant Evening

In February 2013, TCF Ladies Group invited members and their friends to a fun-filled basant evening to celebrate the beginning of spring hosted by Mrs. Zarin Mumtaz Muslim to raise support for the TCF cause.

## TCF at DIHAD 2013

TCF participated in the Dubai International Humanitarian Aid & Development Conference held in Dubai in March 2013. The exhibition brought together humanitarian organizations from around the world to an open dialogue on a common platform.

## TCF's Partnership with Dubai Cares

TCF has joined hands with Dubai Cares, a Dubai Government's philanthropy initiative by His Highness Sheikh Mohammad Bin Rashid Al Makhtoum, Vice President and Prime Minister of UAE and Ruler of Dubai, in a three-year partnership to support and raise awareness for education in Pakistan. Dubai Cares will support TCF by building a Dubai Cares Campus TCF school in Pakistan.

## Global Chapters' Conference 2013



TCF hosted the Global Chapters' Conference on April 26, 2013 at Ramada Plaza Hotel, Karachi. The main objective of this three days Global Chapters' Conference was to bring together the national and international team members that take forward the TCF Cause world-wide, present their recent initiatives and brainstorm for the year ahead.

On the first day, the Vice President and the CEO gave an overview of the operations for the current year and expressed their aim to reach the 1000 school units target next year Insha Allah.TCF Alumni presented their success stories with the national and international teams which instilled a positive air throughout the event. International representatives interacted with the TCF Alumni and shared their views and experiences. To escalate the impact of TCF's 910 school units, the establishment of a Strategic Development Unit was announced. The objective of this Unit is to develop a ready-to-use Primary School kit, referred to as 'TCF in a Box' was shared at the event.

Conference was followed by an annual employee dinner, hosted at a supporter's house. All international teams were invited to interact with the TCF Pakistan employees at the dinner. All of the participants were presented with lovely souvenirs by TCF.

**Shabana Kauser**
Primary Principal



*"Great teachers transcend ideology."*
*— Suzanne Fields*



# TCF UK Update

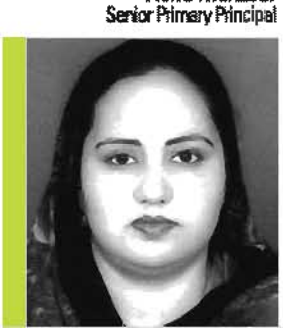
At the start of 2013 academic year, TCF-UK's 50th funded school unit opened it's doors to deserving children, marking a milestone in the team's fundraising work. TCF-UK is the UK's largest and longest serving organization in the field of education for the deserving children of Pakistan.

The UK chapter played host to a number of successful and engaging events.

TCF-UK held a successful 'Quiz Night' in the heart of London for a host of new supporters. The event raised the profile of TCF and was a hit with all attendees.

A trio of high-profile events followed with visiting Board Members Ahsan Saleem and Nilofer Saeed. The TCF exhibition celebrating contemporary Pakistani art attracted the attention and praise of the UK's vibrant art community. Over 40 unique and one-off paintings were exhibited in an exclusive London gallery, helping to promote Pakistani arts and culture. An intimate high-tea event geared at the business community had equal success. Attendees were treated to a presentation by Nilofer Saeed on how to start a business in Pakistan, and her own personal account of working with TCF. The tea was a lively and engaging event and received brilliant feedback. The event season was concluded with an evening meet and greet with both Nilofer Saeed and Ahsan Saleem in the Pakistani High Commission. Ahsan Saleem made a brief presentation to a captive audience on the history of TCF and its successes to date.

**Asifa Manzoor**
Senior Primary Principal



*"Pakistan is proud of her youth, particularly the students, who are nation builders of tomorrow." — M. A. Jinnah*

# TCF USA Celebrates Education

This year has been exciting for TCF-USA with strong endorsements from the prestigious 'The Skoll Foundation'. Chosen from hundreds of applicants, the award recognizes a highly selective group of the world's most promising social entrepreneurs. 'Foundation Beyond Belief' featured TCF-USA as a charity to gift to on its website.

TCF-USA's chapters are a driving force and are led by committed leaders and dedicated volunteers. Three new chapters were added this year in San Antonio, New Orleans and Wichita. In May 2013, the San Antonio Chapter held its very first fundraiser with the support of New Jersey and Houston Chapters. Houston members have also helped establish the New Orleans chapter. With the hard work of volunteers, inspiring leadership of chapter leaders and the generosity and trust bestowed in us by our donors, TCF-USA was successful in building 16 new schools and supporting the operations of 116 schools.

## New Orleans

The newly formed New Orleans Chapter held its first Fundraising Gala in March, and raised over $100K to fund a secondary school in Bahawalpur, Punjab.

## San Antonio

With it's very first fundraiser held in May, San Antonio supporters raised funds to build the first San Antonio Campus. This event made history as it was not only attended by a large gathering of Pakistani Americans, but donations were received from Sikhs, Hindus, Christians, Jews and others.

## Wichita

We are excited about the successful launch of a new chapter in Wichita, Kansas. The supporters raised funds for the operations of a school and plan to set aside endowment funds to support the school.

## Houston

The Houston Chapter hosted a picnic at a local park in November. Around 250 adults and children gathered to enjoy and celebrate the cause of education. Activities included kite flying, soccer and cricket. A Mediterranean lunch was served, followed by a professional magic show, face painting and entertainment by a professional DJ. Children were given piggy banks so that they can fill them with small change to benefit the children of TCF.

The Houston annual gala was held in March and broke all fundraising records, with $1M raised and with over 1,000 people in attendance. The team plans to add 3 new schools in 2014, thereby building a total of 8 schools fully funded by the Houston donors.

## Indianapolis

With the help of Indianapolis' generous donors, "Campus of Hope" is now in its 6th year of operation. The 7th Annual Seeds of Learning Celebration held in October was attended by 300 people.

## New Jersey

Since 2009, the NJ Chapter has built two schools which are running to full capacity. Funds for a third school were collected at the last annual fundraiser in September, to build a secondary school in the province of Sindh. The Chapter has also received new commitments for two additional schools from two-long time donors.

## St. Louis

The second St. Louis Fundraising Gala was held in November with over 200 attendees, to raise funds for the Missouri Campus scheduled to open in August 2013.

## Austin

Austin once again held its second well-attended fundraiser in November to support operating costs of 4 schools.

## Connecticut

The Connecticut Chapter held its 8th Annual Gala in December. This year, Connecticut supporters decided to create a lifetime endowment for a TCF school. The keynote address at the event was given by Mr. Tariq Farid, founder and CEO of Edible Arrangements.

**Qamar un Nisa**
Primary Principal



*"Teachers are out there with a very difficult job, which they pursue with tireless dedication." — **Chi McBride***

## San Francisco

The Silicon Valley Fundraiser was held in March and was attended by 500 supporters. The fundraiser included a keynote address by Sal Khan, founder of Khan Academy, Skoll Foundation CEO, Sally Osberg's talk focused on TCF's selection for the Skoll Award and 'Strings' provided the entertainment. The Silicon Valley Campaign continues to reach their $200K goal to fund a school in Gambat, Sindh.

## Seattle

The Seattle Gala held in October had for its keynote speakers Dr. Ishrat Hussain, Dean and Director, IBA and Leslie Mass, author of 'Back to Pakistan'. In the last four years, the Seattle community has funded eight TCF schools, four primary and four secondary schools, each with a capacity of educating 180 children. The Seattle chapter also supports operating costs for 2 additional schools, bringing the total number of schools supported by Seattle to 10. With the addition of the eighth campus, Seattle donors will help educate more than 1,800 underprivileged children in Pakistan.

## Michigan

On November 10, TCF-USA's Michigan Chapter celebrated its second annual Gala to raise funds for TCF Michigan Campus One. In April 2013, TCF will begin classes in four new schools donated by Michigan supporters.

## DC

The DC Annual Gala was held in May 2013, and the dedication of the team paid off with the DC Chapter raising $1.1 M.

## TCF - USA featured in Voice of America

TCF Founding Member Mushtaq Chhapra and TCF-USA's CEO Mr. Danial Noorani were invited as guests to 'Har Dum Rawan Hai Zindagi' (Life is Ever Vibrant). This live programme highlights success stories of eminent Pakistani American organizations.

## Report from the Head Office - Chicago

In 2012, Chicago's Fundraiser Gala celebrated the opening of Chicago Campus I in Nawabshah, Sindh. TCF-USA All-Chapter's conference was held in Chicago on May 4th and 5th. Chapter leaders met to discuss and outline future plans. Salam Naila, Treasurer TCF-USA welcomed attendees followed by a presentation by Asaad Ayub Ahmad, CEO TCF and updates by key chapter members.

Stellar Choices Inc., a business consulting company, presented a detailed SWOT and carried out the board evaluation exercises.



## TCF-USA welcomes the new staff

Asma Khan joins the TCF-USA staff as Director Development and Marketing to help further our cause to build and operate schools.

## The Mt. Kilimanjaro Adventure

In September 2012, two young Pakistani-American professionals from Houston, Texas, Sana Jilani and Sara Lari set out to climb Mt. Kilimanjaro, the tallest mountain in Africa (reaching 19,340 feet).

Proud of their Pakistani roots, Sana and Sara chose TCF-USA as a beneficiary and made a difference in the lives of children. Their trip not only created awareness for TCF but also earned valuable donations for the cause.

'Cultures in Harmony' performing at TCF US musicians jammed at TCF Schools in October 2012. Cultures in Harmony is a non-profit which aims to bring people together through music.

Humaira Ajmeri
Primary Principal



*"The bad teacher's words fall on his pupils like harsh rain; the good teacher's, as gently as dew." — **Talmud: Ta'anith 7b***

# FINANCIALS


Children's Encyclopedia
Mother Goose Rhymes
Baby's First Library Numbers
TROPICAL FISH
SEEK SLIDE
CAMBRIDGE Learner's



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Sheikh Sultan Trust Building No.2,
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Karachi, 75530 Pakistan

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Fax: + 92 (21) 3568 5095
Internet: www.kpmg.com.pk

## Auditors' Report to the Members

We have audited the annexed balance sheet of **The Citizens Foundation** ("the Foundation") as at 30 June 2013 and the related income and expenditure account, statement of comprehensive income, statement of changes in funds and reserves, cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

a) in our opinion, proper books of 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;

   ii) the expenditure incurred during the year was for the purpose of the Foundation's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Foundation;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, income and expenditure account, statement of comprehensive income, statement of changes in funds and reserves, cash flow statement and 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 2013 and of the deficit, changes in funds and reserves and its cash flows for the year then ended; and

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

KPMG Taseer Hadi & Co.

**Date: 31 July, 2013.**

**Karachi**

**KPMG Taseer Hadi & Co.**
**Chartered Accountants**
**Mazhar Saleem Hamdani**

KPMG Taseer Hadi & Co., a Pakistani 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.

# Balance Sheet

*As at 30 June 2013*

| | Note | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property and equipment | 4 | 3,321,063 | 2,975,862 |
| Intangible assets | 5 | 4,830 | 5,971 |
| Long term investments | 6 | 225,789 | 112,463 |
| Long term deposits | | 8,811 | 8,753 |
| | | 3,560,493 | 3,103,049 |
| **Current assets** | | | |
| Advances and prepayments | 7 | 63,536 | 56,097 |
| Accrued income and other receivables | 8 | 11,055 | 9,596 |
| Short term investments | 9 | 1,041,036 | 798,577 |
| Cash and bank balances | 10 | 77,961 | 68,046 |
| | | 1,193,588 | 932,316 |
| **Total assets** | | 4,754,081 | 4,035,365 |
| **FUNDS AND LIABILITIES** | | | |
| Capital fund | 11 | 2,100 | 1,500 |
| General fund | | 763,911 | 725,194 |
| (Deficit) / surplus of income over expenditure for the year | | (18,234) | 57,617 |
| Unrealised gain on remeasurement of available for sale investments | | 115,398 | 20,351 |
| | | 863,175 | 804,662 |
| **Non-current liabilities** | | | |
| Endowment fund | 12 | 356,415 | 184,202 |
| Deferred income relating to operating fixed assets | 13 | 2,986,043 | 2,575,088 |
| Deferred income relating to school support grants and children education | 14 | 367,561 | 322,850 |
| | | 3,710,019 | 3,082,140 |
| **Current liabilities** | | | |
| **Accrued expenses and other liabilities** | 15 | 180,887 | 148,563 |
| **Total funds and liabilities** | | 4,754,081 | 4,035,365 |
| **Contingencies and commitments** | 16 | | |

The annexed notes 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

# Income and Expenditure Account

*For the year ended 30 June 2013*

| | Note | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **INCOME** | | | |
| **Donations** | 17 | 1,318,176 | 1,120,390 |
| Income on investments | 18 | 80,458 | 91,498 |
| Gain on disposal of fixed assets | | 35,538 | 35,644 |
| | | 1,434,172 | 1,247,532 |
| **OPERATING EXPENDITURE** | | | |
| ***Education Programme*** | | | |
| Subsidies to TCF schools | 19 | 623,187 | 471,255 |
| Books, copies, uniforms and other school supplies | | 170,962 | 140,713 |
| Repair and maintenance charges | | 41,671 | 56,184 |
| School vehicle running and maintenance | | 85,414 | 64,934 |
| Teachers' training | | 28,841 | 37,209 |
| School supervision and monitoring | | 93,695 | 79,324 |
| Depreciation on school assets | 20 | 241,535 | 209,033 |
| Other school expenses | 21 | 33,416 | 24,934 |
| | | 1,318,721 | 1,083,586 |
| ***Programme Administration*** | | | |
| Salaries and other benefits | 22 | 65,574 | 49,069 |
| Resource mobilization expenses | | 27,497 | 24,348 |
| Vehicle running and maintenance | | 4,452 | 3,260 |
| Travelling and conveyance | | 2,618 | 2,035 |
| Utilities | | 3,645 | 2,954 |
| Communication | | 4,044 | 3,792 |
| Printing and stationery | | 3,305 | 3,793 |
| Depreciation | 20 | 12,712 | 11,002 |
| Other expenses | 23 | 9,838 | 6,076 |
| | | 133,685 | 106,329 |
| **Total Operating Expenditure** | | 1,452,406 | 1,189,915 |
| **(Deficit)/ Surplus of income over expenditure for the year** | | (18,234) | 57,617 |

The annexed notes 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

# Statement of Comprehensive Income

*For the year ended 30 June 2013*

| | 2013 | 2012 |
|---|---|---|
| | (Rupees in '000) | |
| (Deficit)/ Surplus of income over expenditure for the year | (18,234) | 57,617 |
| **Other comprehensive income** | | |
| Unrealised gain on remeasurement of available for sale - investments | 95,047 | 341 |
| Other comprehensive income for the year | 95,047 | 341 |
| Total comprehensive income for the year | 76,813 | 57,958 |

The annexed notes 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

# Cash Flow Statement

*For the year ended 30 June 2013*

| | Note | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash generated from support donation operations | 24 | (201,702) | (90,632) |
| Long term deposits | | (58) | (6,271) |
| Net cash used in operating activities | | (201,760) | (96,903) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Capital expenditure | | (601,602) | (568,348) |
| Sales proceeds on disposal of fixed assets | | 37,897 | 36,569 |
| Investments - Long term and Short term | | (257,263) | (263,744) |
| Income on investments | | 59,700 | 58,304 |
| Net cash used in investing activities | | (761,268) | (737,219) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Capital Fund | | 600 | - |
| Endowment fund | | 153,313 | 51,362 |
| Deferred receipts relating to Build donations | | 486,116 | 510,013 |
| Deferred receipts relating to school support grants and children education | | 332,914 | 166,653 |
| Net cash generated from financing activities | | 972,943 | 728,028 |
| Net increase / (decrease) in cash and cash equivalents | | 9,915 | (106,094) |
| Cash and cash equivalents at beginning of the year | | 68,046 | 174,140 |
| Cash and cash equivalents at end of the year | | 77,961 | 68,046 |

The annexed notes 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

# Statement of Changes in Funds & Reserves

*For the year ended 30 June 2013*

| | Capital fund | General fund | Accumulated (deficit)/surplus | Un-realised gain on remeasurement of available for sale investments | Total |
|---|---|---|---|---|---|
| | | | (Rupees in '000) | | |
| Balance as at 30 June 2011 | 1,500 | 755,618 | (625) | 20,010 | 776,503 |
| **Transaction with members of the Foundation recognized directly in Funds and Reserves for the year ended 30 June 2012** | | | | | |
| Transfer of deficit of income over expenditure to the general fund | - | (625) | 625 | - | - |
| Transfer from General Fund to Deferred Support for TCF Schools in Earth Quake Areas | - | (29,799) | - | - | (29,799) |
| **Total comprehensive income for the year** | | | | | |
| Surplus of income over expenditure | - | - | 57,617 | - | 57,617 |
| *Other comprehensive income* | | | | | |
| Unrealised gain on remeasurement of available for sale investments | - | - | - | 341 | 341 |
| Total comprehensive income for the year | - | - | 57,617 | 341 | 57,958 |
| Balance as at 30 June 2012 | 1,500 | 725,194 | 57,617 | 20,351 | 804,662 |
| **Transaction with members of the Foundation recognized directly in Funds and Reserves for the year ended 30 June 2013** | | | | | |
| Contribution received during the year | 600 | - | - | - | 600 |
| Transfer of surplus of income over expenditure to the general fund | - | 57,617 | (57,617) | - | - |
| Transfer from General Fund to Endowment Fund | - | (18,900) | - | - | (18,900) |
| **Total Comprehensive income for the year** | | | | | |
| Deficit of income over expenditure for the year | - | - | (18,234) | - | (18,234) |
| *Other comprehensive income* | | | | | |
| Unrealised gain on remeasurement of available for sale investments | - | - | - | 95,047 | 95,047 |
| Total comprehensive income for the year | - | - | (18,234) | 95,047 | 76,813 |
| **Balance as at 30 June 2013** | 2,100 | 763,911 | (18,234) | 115,398 | 863,175 |

The annexed notes 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

## 1. LEGAL STATUS AND NATURE OF OPERATIONS

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

The registered address of The Citizens Foundation is situated at Plot 20, Sector 14, Korangi Industrial Area, Karachi, Pakistan.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. In case requirements differ, the provisions 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 4.1.

### 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 thousand Rupee.

### 2.4 Use of estimates and Judgements

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 judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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 asset with a corresponding affect on the depreciation and amortisation charge and impairment.

*Held to maturity investment*

The Foundation has classified certain investments as held to maturity. In this regard, 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 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 will be effective for accounting periods beginning on or after 01 July 2013:

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The amendments have no impact on financial statement of the Foundation.

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10 - Consolidated Financial Statements, IFRS 11- Joint Arrangements and IFRS 12- Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Foundation.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Foundation.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments would not have significant impact on financial statements of the Foundation.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement. The amendments have no impact on financial statements of the Foundation.

- Annual Improvements 2009-2011 (effective for annual periods beginning on or after 1 January2013). The new cycle of improvements contains amendments to the following four standards, with consequential amendments to other standards and interpretations:

- IAS 1 Presentation of Financial Statements is amended to clarify that only one comparative period - which is the preceding period - is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the 'third statement of financial position', when required, is only required if the effect of restatement is material to statement of financial position.

- IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories.

- IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

- IAS 34 Interim Financial Reporting is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. The amendments have no impact on financial statements of the Foundation.

- IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Foundation.

- IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- IAS 39 Financial Instruments: Recognition and Measurement- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) (effective for annual periods beginning on or after 1 January 2014). The narrow scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

- Amendment to IAS 36 Impairment of Assets 'Recoverable Amount Disclosures for Non-Financial' Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- International Financial Reporting Standard 13 Fair Value Measurement (IFRS 13)- The IFRS applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. This IFRS defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). This IFRS is effective for annual periods beginning on or after 1 January 2013. The requirements would have no significant effect on the financial statements of the Foundation.

- Government Loans (Amendments to IFRS 1) - The amendments add a new exception to retrospective application of IFRS. A first-time adopter of IFRS now applies the measurement requirements of the financial instrument standards to a government loan with a below-market rate of interest prospectively from the date of transition to IFRS. The amendments will be effective for annual periods beginning on or after 1 January 2013; The requirements would have no significant effect on the financial statements of the Foundation.

## 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.

### 3.1 Property 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 bring 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 or actual cost of acquisition as the case may be. 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 account under the straight-line basis at rates specified in note 4.1 to these financial statements. Depreciation is charged on operating fixed assets from the date asset is available for intended use upto the date the asset is disposed off. Depreciation methods, useful lives and residual values are reviewed at each reporting date. Normal repairs and maintenance are charged to income and expenditure account as and when incurred. Gains and losses on disposal of an item of property and equipment are taken to income and expenditure account currently.

Capital work in progress is stated at cost accumulated upto 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 amortized on a straight line basis over their estimated useful lives.

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

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

### 3.3 Investments

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

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

### 3.4 Other payables

Other payables are recognised 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 recognized 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 recognised 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 recongised when the right to receive dividend is established.

Grants are recognised in profit or loss on a systematic basis over one or more periods, under income approach.

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

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

Miscellaneous income, if any, is recognised on receipt basis.

### 3.9 Provision for compensated absences

The Foundation accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences.

### 3.10 Expenses

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

### 3.11 Taxation

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

Further, through Finance Act, 2012 income of the Citizens Foundation has been provided specific exemption from tax under new sub-clause (xxviii) of clause (66) of Part I of the Second Schedule. Further by virtue of sub-clause (ia) of clause (61) of Part I of the Second Schedule, any donation made to The Citizens Foundation by any person shall be allowed as admissible deduction. The exemption clauses become applicable from 01 July 2012.

### 3.12 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.

### 3.13 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.

### 3.14 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.

### 3.15 Transfer to general fund

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

### 3.16 Restricted Funds

These are funds which are not to be used in the current year for meeting operating expenses.

## 4 PROPERTY AND EQUIPMENT

| | | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Operating fixed assets | *4.1* | 2,953,734 | 2,713,047 |
| Capital work in progress | *4.2* | 320,315 | 235,275 |
| Advance for construction | | 10,870 | 11,781 |
| Advance against purchase of operating fixed assets | | 36,144 | 15,759 |
| | | 3,321,063 | 2,975,862 |

## 4.1 Operating fixed assets

| | 2013 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | School land | | Building on | | Furniture | Vehicles | Electrical | Office & | Total |
| | lease hold | freehold | leasehold land | freehold land | and fittings | | equipment | other equipments | |
| | (Rupees in '000) | | | | | | | | |
| **At 1 July 2012** | | | | | | | | | |
| Cost | 7,660 | 144,503 | 83,078 | 2,810,288 | 219,513 | 405,012 | 13,974 | 53,864 | 3,737,892 |
| Accumulated depreciation | - | - | (5,490) | (658,136) | (103,081) | (217,624) | (4,381) | (36,133) | (1,024,845) |
| Net book value | 7,660 | 144,503 | 77,588 | 2,152,152 | 116,432 | 187,388 | 9,593 | 17,731 | 2,713,047 |
| Additions / transfers from capital work in progress | 5 | 2,617 | 3,790 | 310,944 | 43,439 | 108,849 | 5,760 | 21,889 | 497,293 |
| Disposals | | | | | | | | | |
| Cost | - | - | - | - | 41 | 35,892 | 883 | 9,224 | 46,040 |
| Accumulated depreciation | - | - | - | - | (34) | (35,611) | (173) | (7,863) | (43,681) |
| | - | - | - | - | 7 | 281 | 710 | 1,361 | 2,359 |
| Depreciation for the year | - | - | (4,261) | (149,664) | (21,512) | (68,543) | (2,784) | (7,483) | (254,247) |
| Closing net book value | 7,665 | 147,120 | 77,117 | 2,313,432 | 138,352 | 227,413 | 11,859 | 30,776 | 2,953,734 |
| **At 30 June 2013** | | | | | | | | | |
| Cost | 7,665 | 147,120 | 86,868 | 3,121,232 | 262,911 | 477,969 | 18,851 | 66,529 | 4,189,145 |
| Accumulated depreciation | - | - | (9,751) | (807,800) | (124,559) | (250,556) | (6,992) | (35,753) | (1,235,411) |
| Net book value | 7,665 | 147,120 | 77,117 | 2,313,432 | 138,352 | 227,413 | 11,859 | 30,776 | 2,953,734 |
| **Depreciation rates (% per annum)** | - | - | 5 | 5 | 10 | 20 | 20 | 20 | |

| | 2012 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | School land | | Building on | | Furniture | Vehicles | Electrical | Office & | Total |
| | lease hold | freehold | leasehold land | freehold land | and fittings | | equipment | other equipments | |
| | (Rupees in '000) | | | | | | | | |
| At 1 July 2011 | | | | | | | | | |
| Cost | 6,410 | 140,899 | 5,528 | 2,450,639 | 190,396 | 341,234 | 5,460 | 45,729 | 3,186,295 |
| Accumulated depreciation | - | - | (3,040) | (523,065) | (85,006) | (201,474) | (2,615) | (29,439) | (844,639) |
| Net book value | 6,410 | 140,899 | 2,488 | 1,927,574 | 105,390 | 139,760 | 2,845 | 16,290 | 2,341,656 |
| Additions / transfers from capital work in progress | 1,250 | 3,604 | 77,550 | 359,649 | 30,897 | 102,752 | 8,514 | 8,138 | 592,354 |
| Disposals | | | | | | | | | |
| Cost | - | - | - | - | 1,780 | 38,974 | - | 3 | 40,757 |
| Accumulated depreciation | - | - | - | - | (973) | (38,856) | - | (3) | (39,832) |
| | - | - | - | - | 807 | 118 | - | - | 925 |
| Depreciation for the year | - | - | (2,450) | (135,071) | (19,048) | (55,006) | (1,766) | (6,694) | (220,035) |
| Closing net book value | 7,660 | 144,503 | 77,588 | 2,152,152 | 116,432 | 187,388 | 9,593 | 17,731 | 2,713,047 |
| At 30 June 2012 | | | | | | | | | |
| Cost | 7,660 | 144,503 | 83,078 | 2,810,288 | 219,513 | 405,012 | 13,974 | 53,864 | 3,737,892 |
| Accumulated depreciation | - | - | (5,490) | (658,136) | (103,081) | (217,624) | (4,381) | (36,133) | (1,024,845) |
| Net book value | 7,660 | 144,503 | 77,588 | 2,152,152 | 116,432 | 187,388 | 9,593 | 17,731 | 2,713,047 |
| **Depreciation rates (% per annum)** | - | 5 | 5 | 10 | 20 | 15 | 20 | | |

**4.1.1** Leased hold land includes land acquired by the Foundation as well as received as donations. The donated plots of land are stated at nominal value. Title of three donated land is still in process of being transferred in the name of Foundation.

**4.1.2** Five school buildings which were constructed prior to the incorporation of the Foundation were donated at an estimated cost of Rs. 2 million each.

| | | | 2013 | 2012 |
|---|---|---|---|---|
| | | | (Rupees in '000) | |
| 4.1.3 | **Book value of building on leased hold land includes:** | | | |
| | School Building | | 1,937 | 2,213 |
| | Head Office Building | | 75,180 | 75,375 |
| | | | 77,117 | 77,588 |
| | The Head Office building is constructed with the endowment fund as fully explained in note 12.2. | | | |
| 4.2 | **Capital work in progress** | | | |
| | Balance as at 1 July | | 235,275 | 275,905 |
| | Expenditure incurred during the year | | 400,605 | 409,558 |
| | | | 635,880 | 685,463 |
| | ***Transferred during the year to:*** | | | |
| | School buildings | | (310,944) | (359,650) |
| | Office building | | (3,790) | (77,549) |
| | Electrical equipments | | - | (5,864) |
| | Furniture & fixture | | (831) | (7,125) |
| | | | 320,315 | 235,275 |
| | This represents civil works and related cost for the construction of schools and head office building. | | | |
| 5. | **INTANGIBLE ASSETS** | | | |
| | Software | *5.1* | 3,850 | 3,057 |
| | Advance against purchase of software | | 980 | 2,914 |
| | | | 4,830 | 5,971 |
| 5.1 | **Software** | | | |
| | *Net carrying value basis* | | | |
| | Opening net book value (NBV) | | 3,057 | 2,065 |
| | Additions (at cost) | | 1,730 | 1,863 |
| | Amortization charge | | (937) | (871) |
| | Closing net book value | | 3,850 | 3,057 |
| | *Gross carrying value* | | | |
| | Cost | | 5,456 | 3,593 |
| | Additions (at cost) | | 1,730 | 1,863 |
| | Accumulated amortisation | | (3,336) | (2,399) |
| | Net book value | | 3,850 | 3,057 |

Intangible asset represents software purchase cost which is amortized over the period of five years on straight line basis from the date of its initial recognition.

## 6. LONG TERM INVESTMENTS

| | | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| **Held to maturity** | | | |
| *Term Finance Certificates* | | | |
| United Bank Limited - Tranche III | *6.1* | 4,990 | 8,317 |
| NIB Bank Limited | *6.2* | 4,990 | 4,992 |
| Askari Bank Limited | | - | 10,248 |
| | | 9,980 | 23,557 |
| ***Available for sale*** | | | |
| *Certificates of closed end funds* | | | |
| JS Value Fund | | 789 | 380 |
| Atlas Fund of Funds | | 23,697 | 17,798 |
| Meezan Balanced Fund | | 7,814 | 6,237 |
| JS Growth Fund | | 1,377 | 688 |
| PICIC Energy Fund | | 39,852 | 17,251 |
| PICIC Growth Fund | | 106,800 | 30,758 |
| PICIC Investment Fund | | 32,268 | 12,413 |
| | | 212,597 | 85,525 |
| *Units of open end funds* | | | |
| JS Large Capital Fund - Class B | | 3,212 | 3,381 |
| | | 225,789 | 112,463 |

**6.1** This represents investment in 8 years term finance certificate and carry profit at the rate of 1.70% per annum plus 6 months KIBOR and will mature on 8 September 2014. Fair value of the TFC as at 30 June 2013 amounted to Rs. 5.02 million (2012 : Rs. 8.26 million) determined using rates notified by Mutual Funds Association of Pakistan (MUFAP).

**6.2** 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 2013 amounted to Rs.4.98 million (2012: Rs. 4.97 million) determined using rates notified by Mutual Funds Association of Pakistan (MUFAP).

## 7. ADVANCES AND PREPAYMENTS

| | | |
|---|---|---|
| Advances to staff for expenses - considered good | 55,553 | 52,907 |
| Advances to suppliers - considered good | 5,171 | 2,071 |
| Prepaid expenses | 2,812 | 1,119 |
| | 63,536 | 56,097 |

## 8. ACCRUED INCOME AND OTHER RECEIVABLES

| | | |
|---|---|---|
| Accrued income on investments | | |
| - term finance certificates | 542 | 1,152 |
| - term deposit receipts | 197 | 332 |
| - treasury bills | 3,287 | 7,792 |
| | 4,026 | 9,276 |
| Tax deducted at source | 1,202 | 206 |
| Dividend receivable | 5,827 | - |
| Other receivables | - | 114 |
| | 11,055 | 9,596 |

## 9. SHORT TERM INVESTMENTS

| | | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| ***Held to maturity*** | | | |
| *Term deposit receipts* | | | |
| Local currency | | | |
| Askari Bank Limited | | 15,000 | 15,000 |
| Bank Al-Habib Limited | | 8,000 | - |
| Faysal Bank Limited | | 50,000 | 15,000 |
| NIB Bank Limited | | 12,000 | 96,000 |
| | *9.1* | 85,000 | 126,000 |
| Foreign currency | | | |
| Askari Bank Limited | | 117,088 | - |
| Bank Al-Habib Limited | | 255,374 | 97,290 |
| NIB Bank Limited | | 39,148 | 57,036 |
| | *9.2* | 411,610 | 154,326 |
| *Term Finance Certificates* | | | |
| United Bank Limited - Tranche II | | - | 9,997 |
| Pakistan Mobile Communication Limited-Tranche II | | - | 6,623 |
| Askari Bank Limited | *9.3* | 10,244 | - |
| | | 10,244 | 16,620 |
| *Treasury Bills* | | | |
| State Bank of Pakistan | *9.4* | 388,546 | 419,432 |
| ***Available for sale*** | | | |
| *Money Market Funds* | | | |
| ABL Government Securities Fund | | 4,682 | - |
| Atlas Money Market Fund | | 30,164 | 24,951 |
| Meezan Sovereign Fund | | 47,711 | 26,015 |
| Faysal Money Market Fund | | 3,130 | - |
| HBL Money Market Fund | | 33,220 | 30,235 |
| PICIC Cash Fund | | 5,122 | 998 |
| NAFA Riba Free Saving Fund | | 21,307 | - |
| | | 145,336 | 82,199 |
| | | 1,041,036 | 798,577 |

**9.1** This represents investment in PKR Term Deposit Receipts. The maturities range from 05 July 2013 to 13 July 2013 and carry profit rates ranging from 6% to 7.99% (2012: 10.10% to 11%) per annum.

**9.2** This includes Term Deposit Receipts in
- US Dollar amounting to US $ 3,777,500 having maturities from 05 July 2013 to 28 July 2013 and carrying mark-up from 0.25% to 1.50% (2012: 1.25% to 1.6%) per annum.
- GBP amounting to £ 260,000 having maturity on 28 July 2013 and carrying mark-up of 1.20% (2012: 1%) per annum.

**9.3** 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 2013. Fair value of the TFC as at 30 June 2013 amounted to Rs. 10.29 million (2012 : Rs. 10.278 million) determined using rates notified by Mutual Funds Association of Pakistan (MUFAP).

**9.4** This represents investments in Treasury Bills having maturities ranging from 15 July 2013 to 26 December 2013 and carrying profit rates ranging from 8.85% to 9.45% (2012: 11.87% to 11.92%) per annum.

## 10. CASH AND BANK BALANCES

| | | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Cash in hand | | 100 | 100 |
| Cash at bank: | | | |
| - current account | *10.1* | 3,729 | 17,421 |
| - deposit account | *10.2* | 74,132 | 50,525 |
| | | 77,861 | 67,946 |
| | | 77,961 | 68,046 |

**10.1** This includes foreign currency equivalent to Rs. 3.2 million (2012: Rs. 16.51 million).

**10.2** This includes foreign currency equivalent to Rs. 2.19 million (2012: Rs. 3.49 million). Profit rate on deposit accounts is 0.1% to 0.25% (2012: 0.25%) per annum in foreign currency and 6% to 8% (2012: 5% to 9.5%) per annum in local currency.

The deposit account also includes a security deposit of Rs. 21.62 million (2012: Rs. 20.85 million) which is kept in a separate bank account on which 7% (2012: 9% ) return is offered. This is done to meet the requirement of section 226 of the Companies Ordinance, 1984.

## 11. CAPITAL FUND

This represents contribution by the members when they have joined the Foundation in terms of Article "8" of Articles of Association of the Foundation. During the year six new members joined the Foundation.

## 12. ENDOWMENT FUND

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

### 12.1 Classification of Endowment Donors

| | | | |
|---|---|---|---|
| Austin Group | | 15,868 | 10,505 |
| Friends and Wellwishers of Sultan Mowjee | | 13,250 | - |
| HBL Foundation | | 32,618 | 15,927 |
| Mrs. Banu M.A. Rangoonwala Trust | | 12,000 | 12,000 |
| National Bank of Pakistan | | 10,000 | - |
| Noorani Family | | 10,692 | 9,620 |
| Pakistan State Oil Company Ltd | | 17,500 | 17,500 |
| Saeeda Mazhar Mahmood | | 16,100 | - |
| Sajid Salman | | 11,457 | 5,951 |
| Talat & Ahmed | | 16,875 | - |
| The Shirin Sultan Dossa Foundation | *12.2* | 94,581 | 75,680 |
| TCF - USA | | 49,050 | - |
| Wahid Maskatiya | | 10,130 | 10,130 |
| Others (all below Rs. 10 million) | | 46,294 | 26,889 |
| | | 356,415 | 184,202 |

**12.2** This includes amount of Rs. 75.68 million received from a donor for the purpose of construction of Head Office building of the Foundation with the stipulation that the amount of the endowment fund is to be kept intact and an amount equivalent to the annual rent to be credited to the endowment fund on annual basis. The annual rent is mutually agreed between the donor and the management which will increase 10% every year and will be appropriated from the General Fund to the endowment fund by the Board of Directors. As at 30 June 2013, Rs. 18.9 million have been credited to the endowment fund of the donor equivalent to the annual rent of the current and prior year. Further, in order to keep the endowment fund intact investments equivalent to the annual depreciation of the building will be earmarked annually as restricted investments representing the endowment fund.

## 13. DEFERRED INCOME RELATING TO OPERATING FIXED ASSETS

| | 2013 | 2012 |
|---|---|---|
| | (Rupees in '000) | |
| Opening balance | 2,575,088 | 2,130,185 |
| Donations received during the year | 486,116 | 510,013 |
| Amortisation for the year | (75,161) | (65,110) |
| | 2,986,043 | 2,575,088 |

## 14. DEFERRED INCOME RELATING TO SCHOOL SUPPORT, GRANTS AND CHILDREN EDUCATION

| | | | |
|---|---|---|---|
| Opening balance | | 322,850 | 360,535 |
| Donations received during the year | *14.1* | 332,915 | 196,452 |
| Amortisation for the year | | (288,204) | (234,137) |
| | *14.2* | 367,561 | 322,850 |

**14.1** Total grants amounting to Rs. 203.92 million (2012: Rs. Nil) received during the year out of which grants amounting to Rs. 178.61 million (2012: Rs. Nil) was amortised during the year:

| | Grants | Amortization |
|---|---|---|
| | (Rupees in '000) | |
| Department for International Development | 86,235 | 86,235 |
| Education Fund for Sindh | 41,908 | 20,954 |
| JP Morgan Chase Foundation | 3,977 | 2,320 |
| Skoll Foundation | 61,625 | 61,625 |
| Target Foundation | 2,429 | 1,215 |
| Others | 7,747 | 6,263 |
| | 203,921 | 178,612 |

**14.2** This includes an amount of Rs. 180.24 million (2012: Rs. 146.09 million) representing sustainability fund to meet cash short fall in the operational support of the schools in future. It is currently invested in short term investments as stated in note 9 to these financial statements.

## 15. ACCRUED EXPENSES AND OTHER LIABILITIES

| | | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Accrued expenses | | 88,936 | 64,330 |
| Security deposit | *15.1* | 21,618 | 21,634 |
| Retention money | | 22,042 | 20,023 |
| Scholarship | | 26,067 | 19,487 |
| Provision for compensated absences | | 12,426 | 10,447 |
| School water project | | 8,903 | 10,886 |
| Other liabilities | | 895 | 1,756 |
| | | 180,887 | 148,563 |

**15.1** This represents deposits obtained mainly from teachers in order to discourage them from leaving the Foundation without notice and is refunded to them at the time of leaving the Foundation. The security deposit is kept in a separate bank account as per the requirement of section 226 of the Companies Ordinance, 1984.

## 16. CONTINGENCIES AND COMMITMENTS

*Contingent liabilities*

The Foundation received a notice in June 2003 from Sindh Employees' Social Security Institution (SESSI) demanding a payment of Rs. 0.48 million as arrears of social security contribution for the period from May 2003 to September 2003 vide Sindh Government Gazette Notification No. L-II-5-9/2002 dated 8 February 2003. Consequently, the Foundation filed a petition with Honourable Sindh High Court challenging SESSI's application of Social Security Scheme on Educational Units. The 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 Honourable Supreme Court of Pakistan 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 Supreme Court of Pakistan up-held the decision of Sindh High Court and dismissed the petition. The Foundation filed a review petition on 04 November 2010 with the Supreme Court of Pakistan against its Judgement.

Further, the SESSI demanded a payment of Rs. 35.47 million on 2 February 2011 including an increase amounting to Rs. 11.82 million. The Foundation filed an appeal on 16 April 2011 against the increase with the Commissioner of SESSI. Currently the Foundation is awaiting for judgment on review petition filed with the Supreme Court of Pakistan and an appeal pending with Commissioner SESSI. However, a provision of Rs. 35.47 million has been made in the financial statements against the alleged demand.

Similar notification was received from Punjab Employees' Social Security Institution (PESSI) demanding a payment of Rs. 0.09 million being social security contribution for the period from November 2002 to November 2007 in view of section 1 (3) of the Provincial Employees Social Security Ordinance 1965. The Foundation filed a complaint against this notification on 10 May 2008. However, Director General (Recovery) PESSI dismissed this complaint on 29 December 2011. Provision of Rs. 0.09 million has been made in the financial statement in this respect. The Foundation has also made a provision of Rs. 35.88 million in the financial statements on the basis of SESSI's demand as the number of employees eligible for PESSI contribution were approximately the same as in the case of SESSI.

*Commitments*

Commitment in respect of capital expenditure amounts to Rs. 145.41 million (30 June 2012: Rs. 137.55 million).

## 17. DONATIONS

| | | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Donations received during the year | *17.1* | 954,811 | 821,143 |
| Amortised - donations related to assets | *13* | 75,161 | 65,110 |
| Amortised - donations related to school support, grants and children education | *14* | 288,204 | 234,137 |
| | | 1,318,176 | 1,120,390 |

**17.1** This includes Zakat collected and spent during the year amounting to Rs. 172.92 million (June 2012:Rs. 101.99 million).

## 18. INCOME ON INVESTMENTS

| | | | |
|---|---|---|---|
| Income on investments | | | |
| - term finance certificates | | 3,866 | 6,241 |
| - term deposit receipts | | 7,122 | 1,592 |
| - treasury bills | | 43,462 | 57,803 |
| | | 54,450 | 65,636 |
| Profit on bank accounts | | 6,594 | 6,671 |
| Exchange gain - net | | 11,984 | 5,926 |
| Dividend Income | | 20,888 | 13,286 |
| Capital gain on disposal of investments | | 3,475 | 7,554 |
| | | 97,391 | 99,073 |
| *Transferred during the year to:* | | | |
| Support donation | *18.1* | (11,121) | - |
| Endowment Fund | | (5,812) | (5,065) |
| Deferred Income relating to operating fixed assets | | - | (2,242) |
| Scholarship | | - | (268) |
| | | (16,933) | (7,575) |
| Income on investments - net | | 80,458 | 91,498 |

**18.1** This represents income on investments representing endowment fund utilised for support operations.

## 19. SUBSIDIES TO TCF SCHOOLS

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

## 20. DEPRECIATION

Depreciation has been allocated as follows:

| | | |
|---|---|---|
| Education Programme | 241,535 | 209,033 |
| Programme Administration | 12,712 | 11,002 |
| | 254,247 | 220,035 |

## 21. OTHER SCHOOL EXPENSES

| | 2013 | 2012 |
|---|---|---|
| | (Rupees in '000) | |
| Schools - medical & general insurance | 11,307 | 10,191 |
| Ceremony functions and awards | 7,430 | 5,832 |
| Freight charges - furniture & equipments | 3,888 | 2,906 |
| Consultancy expenses | 3,173 | 2,585 |
| Student activities | 4,276 | 2,344 |
| Other school expenses | 3,342 | 1,076 |
| | 33,416 | 24,934 |

## 22. SALARIES AND OTHER BENEFITS

### 22.1 Remuneration of Chief Executive Officer and Executives

| | Chief Executive Officer | | Executives | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | (Rupees in '000) | | | |
| Remuneration | 6,773 | 5,822 | 40,321 | 41,782 |
| Number of person | 1 | 1 | 49 | 29 |

**22.2** The Chief Executive Officer, Vice Presidents, General Managers and HODs are provided with free use of Foundation maintained car in accordance with the prescribed limits.

## 23. OTHER EXPENSES

| | | 2013 | 2012 |
|---|---|---|---|
| | | (Rupees in '000) | |
| Office expenses | | 1,540 | 1,448 |
| Repairs and maintenance | | 2,582 | 930 |
| Amortisation of intangible asset | *5.1* | 937 | 871 |
| Bank charges | | 842 | 813 |
| Professional charges | | 1,751 | 646 |
| Advertisement | | 754 | 630 |
| Insurance | | 696 | 465 |
| Auditors' remuneration | | 194 | 176 |
| Fee and subscriptions | | 542 | 97 |
| | | 9,838 | 6,076 |

## 24. CASH GENERATED FROM OPERATIONS

| | | | |
|---|---|---|---|
| (Deficit) / surplus of income over expenditure | | (18,234) | 57,617 |
| Adjustments for non cash charges and other items: | | | |
| Depreciation | | 254,247 | 220,035 |
| Capital gain on disposal of investments | | (3,475) | (7,554) |
| Amortisation of intangible asset | | 937 | 871 |
| Amortisation of deferred income | | (363,365) | (299,247) |
| Income on investments | | (54,450) | (61,197) |
| Gain on sale of fixed assets | | (35,538) | (35,644) |
| Working capital changes | *24.1* | 18,176 | 34,487 |
| | | (201,702) | (90,632) |

### 24.1 Working capital changes

| | | |
|---|---|---|
| *(Increase) / decrease in current assets* | | |
| Advances, deposits and prepayments | (7,438) | (14,160) |
| Accrued income and other receivables | (6,709) | 1,239 |
| | (14,147) | (12,921) |
| *Inrease in current liabilities* | | |
| Accrued expenses and other liabilities | 32,323 | 47,408 |
| | 18,176 | 34,487 |

## 25. RELATED PARTY TRANSACTIONS

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

### 25.1 Donation received from related parties

Arshad Shahid Abdullah (Private) Limited, in which Mr. Shahid Abdulla (Director of the Foundation) is also a director, has donated Rs. 0.50 million (2012: Rs. Nil) during the year.

Artherton & Imrooz (Private) Limited, in which Mr. Ateed Riaz (Director of the Foundation) is also a director, has donated Rs. 0.07 million (2012: Rs. 0.008 million) during the year.

Ashraf Riaz (Private) Limited, in which Mr. Ateed Riaz (Director of the Foundation) is also a director has donated Rs. 2.29 million (2012: Rs. 0.209 million) during the year.

Crescent Steel and Allied Products Limited, in which Mr. Ahsan M Saleem (Director of the Foundation) is also a director, has donated Rs. 32.25 million (2012: Rs. 16.01 million) during the year.

Interloop (Private) Limited, in which Mr. Musadaq Zulqarnain (Director of the Foundation) is also a director, has donated Rs. 21.29 million (2012: Rs. 16.01 million) during the year.

Multinet (Private) Limited, in which Mr. Adnan Asdar (Director of the Foundation) is also a director, has donated Rs. 0.33 million (2012: Rs. 0.24 million) during the year.

Searle Pakistan (Private) Limited, in which Mr. Adnan Asdar and Mr. Rashid Abdulla (Directors of the Foundation) are also directors, has donated Rs. 4.05 million (2012: Rs. 5.60 million) during the year.

Shakarganj Food Products Limited, in which Mr. Ahsan M Saleem (Director of the Foundation) is also a director, has donated Rs. 0.02 million (2012: Rs. Nil) during the year.

Tarseel (Private) Limited, in which Mr. Ateed Riaz (Director of the Foundation) is also a director, has donated Rs. 0.10 million (2012: Rs. 0.246 million) during the year.

Transpak (Private) Limited, in which Mr. Mushtaq K Chhapra (Chairman of the Foundation) is also a director, has donated Rs. 0.02 million (2012: Rs. Nil) during the year.

### 25.2 Donations from Directors

| | 2013 | 2012 |
|---|---|---|
| | (Rupees in '000) | |
| Ahsan M Saleem | 5,150 | 2,800 |
| Ateed Riaz | - | 1,034 |
| Ishaque Noor | - | 235 |
| Musadaq Zulqarnain | 17 | - |
| Mushtaq K Chhapra | 75 | 398 |
| Nilofer Saeed | 194 | 498 |
| Rashid Abdulla | 214 | 1,400 |
| Shahid Abdulla | 200 | 200 |

### 25.3 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, Chief Financial Officer and Vice Presidents as its key management personnel. The remuneration/compensation paid or payable to key management for employee service amounts to Rs.15.05 million (2012: Rs. 20.029 million) during the year. Key management personnel also donated to the Foundation from their salaries an amount of Rs. 0.375 million (2012: Rs. 1.034 million) during the year. There are no transactions with the key management personnel other than under their terms of employments / entitlements.

## 26. 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

### 26.1 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). The Investment Committee is responsible for making investment decisions.

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. At reporting date, the Foundation hold foreign currency bank accounts including Term Deposit Receipts maintained with financial institutions, amounting to Rs. 416.99 million (2012: Rs. 174.339 million) in aggregate that exposes the Foundation to currency risk.

The currencies in which these bank accounts are denominated are Euro (EUR) Pound Sterling (GBP), United States Dollar (USD), Swiss Franc (CHF), United Arab Emirates Dirham (AED).

The following exchange rates were applied during the year:

| | Average rate | | Reporting date Spot rate | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| EUR to PKR | 126.24 | 119.81 | 128.85 | 118.25 |
| GBP to PKR | 152.48 | 141.89 | 150.57 | 146.76 |
| USD to PKR | 97.03 | 89.44 | 98.60 | 94.00 |
| CHF to PKR | 103.73 | 99.74 | 104.49 | 98.41 |
| AED to PKR | 26.42 | 24.32 | 26.85 | 25.59 |

*Sensitivity Analysis*

At reporting date if PKR strengthened / weakened by 10% against respective foreign currencies with all other variably held constant, surplus of income over expenditure for the year would have been higher / lower by Rs. 41.721 million (2012 : Rs. 2.001million) with corresponding effect on respective foreign currency denominated assets. This mainly arise as a result of translation of respective foreign currency denominated assets.

The sensitivity analysis is not necessarily an indication of the effect on surplus of income over expenditure for the period.

*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.

At the reporting date the interest rate profile of the Foundation's significant interest bearing financial instruments was as follows:

| | Effective interest rate | | Carrying amount | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **Financial asset** | (in Percent) | | (Rupees in '000) | |
| *Fixed rate instruments* | | | | |
| Term Finance Certificates | - | 9.49 | - | 9,997 |
| *Variable rate instruments* | | | | |
| Term Finance Certificates | 10.65-11.23 | 13.08-14.85 | 20,224 | 30,180 |

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

*Other price risk*

Other price risk includes equity price risks which is the risk of changes in the fair value of equity securities as a result of changes in the value of individual certificates of Closed End Fund and shares of quoted companies. The equity price risk exposure arises from investments in equity securities held by the Foundation for which prices in the future are uncertain.

## 26.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or other counter parties to fulfil their obligations resulting in financial loss to the Foundation. The credit risk of the Foundation mainly arises from its investments in debt securities representing failure of the investee companies in repayment of principle and / or the interest due on such investments. The Foundation is also exposed to counterparty credit risk on bank balances, investment in units of open end mutual fund, long term deposits, accrued income and other receivable balances.

*Credit risk management*

The Foundation assesses all counterparties for credit risk before contracting with them. It is the Foundation policy to enter into financial contracts with reputable and creditworthy counterparties. 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:

| | 2013 | 2012 |
|---|---|---|
| | (Rupees in '000) | |
| Long term investments | 225,789 | 112,463 |
| Long term deposits | 8,811 | 8,753 |
| Accrued income and other receivables | 11,055 | 9,596 |
| Short term investments | 1,041,036 | 798,577 |
| Bank balances | 77,861 | 67,946 |
| | 1,364,552 | 997,335 |

None of the above financial assets were considered to be past due or impaired in 2013.

*Investment in debt securities*

At reporting date the Foundation has invested in term finance certificates, units of open end mutual funds, term deposit receipts and treasury bills. The Foundation manages credit risk arising from term finance certificates and term deposit receipt by making investments in financial institutions or counter party having sound credit rating. With respect to units of open end mutual funds the management manages credit risk by investing in Funds having good performance record.

The analysis below summarises 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 | 2013 | 2012 |
|---|---|---|
| AA | 25% | 41% |
| AA- | 50% | 21% |
| A+ | 25% | 38% |

The management believes that investment in treasury bills does not expose the Foundation to credit risk as the counterparty to the instrument is Government of Pakistan.

*Bank balances*

The Foundation kept surplus liquidity with banks having credit rating from A- to AAA. The rating of the banks is monitored by the management.

*Long term deposits*

The Foundation has deposited various amounts as security to suppliers against provisioning of different services. The management does not expect to incur material losses on such deposits and consider such amount is receivable upon termination of service contract from respective suppliers.

*Concentration of credit risk*

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

## 26.3 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 or another financial asset. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring losses or risking damage to the Foundation's reputation.

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

| | 2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Carrying amount** | **Contractual cash flows** | **Six months or less** | **Six to twelve months** | **One to two years** | **Two to five years** | **After five years** |
| | (Rupees in '000) | | | | | | |
| **Financial liabilities** | | | | | | | |
| Accrued and other liabilities | **180,887** | **180,887** | **48,109** | **132,778** | - | - | - |

| | 2012 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | Six months or less | Six to twelve months | One to two years | Two to five years | After five years |
| | (Rupees in '000) | | | | | | |
| **Financial liabilities** | | | | | | | |
| Accrued and other liabilities | 148,563 | 148,563 | 39,950 | 108,613 | - | - | - |

**26.4 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs.

Investments in certificates of closed end funds and units of open end funds are measured using quoted prices 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.

**26.5 Fund management**

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

The Foundation is a company limited by guarantee having no share capital and is not exposed to any externally imposed capital requirements.

**27. GENERAL**

**27.1. Non-adjusting event**

The Board of Directors in their meeting held on 31 July, 2013 has decided to transfer Rs. 40.14 million from General Fund to the Sustainability Fund. These financial statements for the year ended on 30 June, 2013 do not include the effect of this appropriation which will be accounted for subsequent to the year-end.

**28. DATE OF AUTHORISATION**

These financial statements were authorised for issue in the Board of Directors meeting held on 31 July, 2013.

CHIEF EXECUTIVE OFFICER

DIRECTOR

THE CITIZENS FOUNDATION

# NOTICE OF 17th ANNUAL GENERAL MEETING OF MEMBERS

Notice is hereby given to all the members of **The Citizens Foundation** that **17th Annual General Meeting** of the Foundation will be held on **Monday September 30, 2013** at **10:30 a.m.** at TCF Registered office, Plot No 20, Sector 14, Korangi Industrial Area, Karachi-749000 to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Foundation for the year ended June 30, 2013 together with auditors' report thereon.

2. To adopt the Chairman's Review and Directors' Report for the year ended June 30, 2013.

3. To appoint Company Auditors for the next Financial Year ending on June 30, 2014 and fix their remuneration. M/s. KPMG Taseer Hadi & Co. Chartered Accountants, retired and being eligible, offer themselves for reappointment.

By order of the Board

Muhammad Amin
Company Secretary

Date: September 06, 2013.

Place: Karachi

THE CITIZENS FOUNDATION

# Form of Proxy
# Annual General Meeting

I/We _____ , being member(s) of The Citizens Foundation do hereby appoint _____ of _____ (full address) or failing him/her _____ of _____ (full address) as my/ our proxy to attend, speak and vote for me/us and on my/our behalf at the **Annual General Meeting** of **The Citizens Foundation** sheduled to be held on **Monday September 30, 2013 at 10.30 a.m.**, at Foundation's Registered Office, **Plot No. 20, Sector-14, Korangi Industrial Area, Karachi** and at any adjournment thereof.

Witnesses:

| | | | | |
|---|---|---|---|---|
| 1. | Name | : | | Please affix here Revenue Stamps of Rs. 5/- |
| | C.N.I.C | : | | |
| | Address | : | | |
| 2. | Name | : | | MEMBER'S SIGNATURE |
| | C.N.I.C | : | | |
| | Address | : | | |

Date : _____

Note:

1. A member entitled to attend and vote at Annual General Meeting is entitled to appoint any other member of TCF as a proxy.

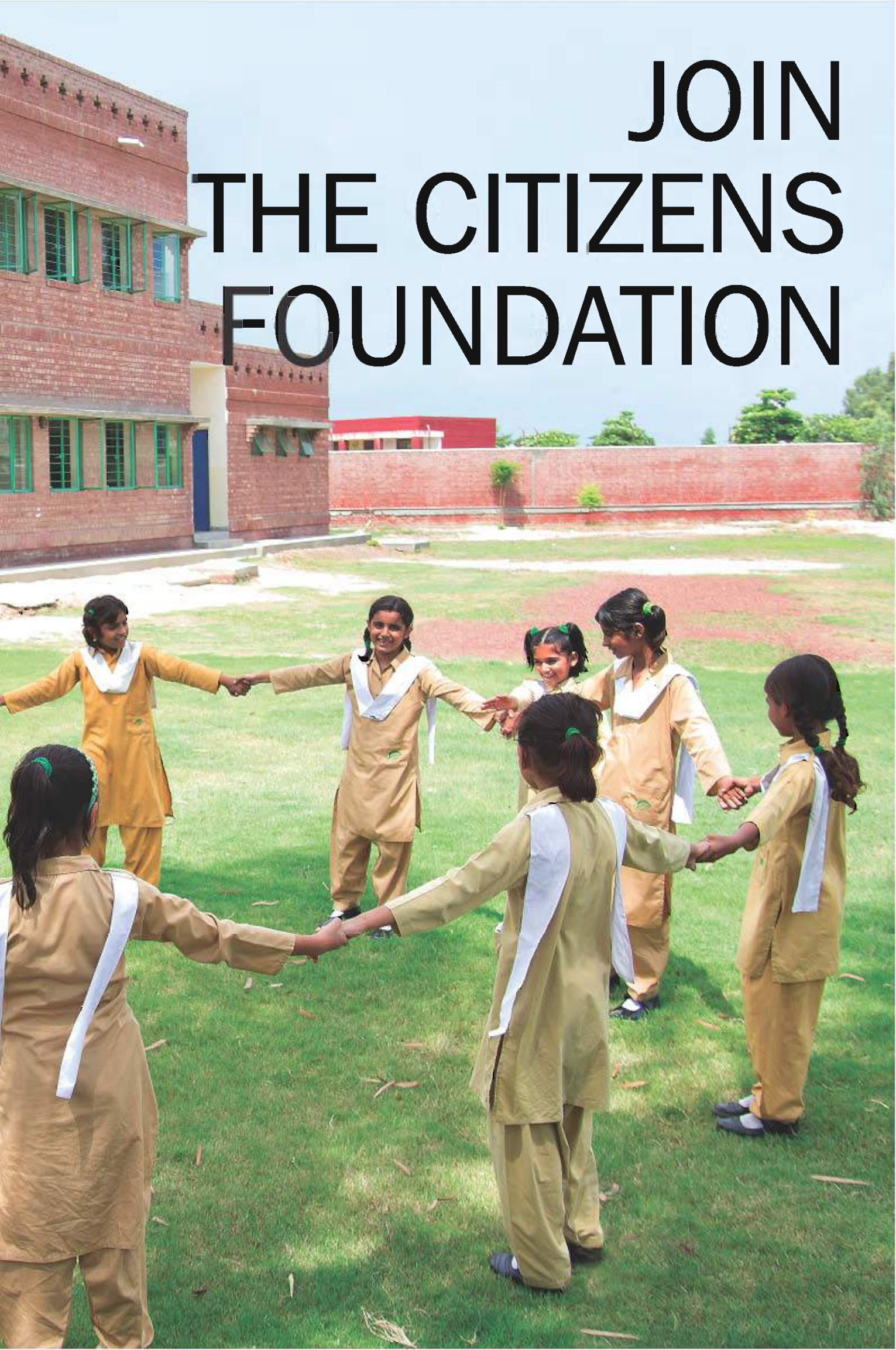
2. The instrument appointing a Proxy **must be deposited not less than 48 hours before the time of holding the meeting, at the Registered Office, Plot No.20, Sector-14, Korangi Industrial Area, Karachi.**

3. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

4. **The proxy shall produce his/her original CNIC or original Passport** at the time of the meeting.

5. Members are advised to notify to the Company Secretary of any change in their registered postal address, E-mail address and contact numbers immediately.


TCF SCHOOL
SAADAT IKRAM CAMPUS


JOIN
THE CITIZENS
FOUNDATION

# TCF Contact Information

TCF Team members locally and internationally can be emailed at: **info@tcf.org.pk**

## Head Office

**Neelam Habib**
Plot No. 20, Sector - 14, Near Brookes Chowrangi, Korangi
Industrial Zone, Karachi. Telephone: (+92-21)-823-823 Fax: (+92-21) 35113460

## Regional Offices

**Brig. (R ) Sabur Ahmed Khan**
**KARACHI**
Plot No. 20, Sector - 14, Near Brookes Chowrangi, Korangi
Industrial Zone, Karachi.
Telephone: (+92-21) 111-823-823
Fax: (+92-21) 35113460

**Ahsan Kazmi**
**LAHORE**
58-C/3, Gulberg III, Lahore.
Telephone: (+92-42) 35772446-49 Fax: (+92-42) 5881368

**Syed Nayab Shah**
**ISLAMABAD/RAWALPINDI**
Regional Office (NW) Service Road Gangal West, Rawalpindi.
Telephone: (+92-51) 4578228 & 4578229
Fax: (+92-51) 5881368

## Supporters' Chapters In Pakistan & Abroad

### PAKISTAN CHAPTERS

**Bushra Afzal**
**STCF KARACHI**
Plot No. 20, Sector - 14, Near Brookes Chowrangi, Korangi
Industrial Zone. Telephone: (+92-21) 111-823-823
Fax: (+92-21) 35113460

**Asma Khan**
**STCF ISLAMABAD**
House No.3, Street 5, F-6/3.
Telephone: (+92-51) 2279862

**Samina Aziz** House No. 258, Street 3, F-10/3.
Telephone: (+92-51) 2299051

**Nageen Faiq**
**STCF FAISALABAD**
House No. 34, Khayaban-e-Colony, Susan Road.
Telephone (92-333) 6638008
Fax: (+92-41) 8714438

### INTERNATIONAL CHAPTERS

**ABU DHABI**
**Shahab Haider** Telephone (+-971-4) 2222126

**DUBAI**
**Komal Shakil** Office No. 118, Building No.4, International Humanitarian City, Dubai Industrial City Headquarters, P.O. Box No. 506007, Dubai, UAE.
Telephone +971-50-7084724, +971-4-3681096, +971-4-3681097

**BAHRAIN**
**Ali Mirza** c/o Arab Banking Corporation, P.O.Box 5689, Manama, Bahrain. Telephone +973-39-955182

**ITALY**
**Gretchen Romig Crosti** Corso di Porta Nuova 38, Milan, Italy 20121
Telephone: +39 335 813 4309
Email address : ItalianFriends.TCF@gmail.com
Website details: www.italianfriends-tcf.org

**UNITED KINGDOM**
The Citizens Foundation (UK)
**Amina Salahuddin** 10 Margaret Street, London W1W 8RL
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Fax: +44 (0)20 7183 7085 E-mail: amina.salahuddin@tcf-uk.org

**UNITED STATES OF AMERICA**
**Uneza Akhtar** Cell: +224-636-2858
**Danial Noorani** Cell: +312-543-3917
2425 Touhy Ave., Elk Grove Village, IL 60007.

**CANADA**
**Aziz Rakla** The Citizens Foundation, Canada, 1877 Featherston Drive Mississauga, ON L5L 2T2.
Telephone: +888-467-2552
Fax: +905-607-3666

**Saima Ghaffar**
Primary Principal



*"Education is a matter of life and death to our nation."*
*— M. A. Jinnah*

## Donate Through Cheques / Drafts

With cheques or bank drafts, please communicate your address & donation details through a letter.
An official receipt will promptly be mailed to you.

**PAKISTAN**
**Cheque Payable to:** The Citizens Foundation
**Mailing Address:** Plot No. 20, Sector - 14, Near Brookes Chowrangi, Korangi Industrial Zone, Karachi.

**UAE**
**Cheque Payable to:** The Citizens Foundation
**Mailing Address:** Office No. 118, Building No. 4, International Humanitarian City, Dubai Industrial City Headquarters, P.O. Box No. 506007, Dubai, UAE

**ITALY**
**Cheque Payable to:** Associazione Italian Friends of TCF - The Citizens Foundation
**Mailing Address:** Via Moscova 33, Milan, ITALY 20121

**UK**
**Cheque Payable to:** The Citizens Foundation (UK)
**Mailing Address:** 10 Margaret Street, London W1W 8RL
Telephone 020 3585 3011/12 Fax: 020 7183 7085

**CANADA**
**Cheque Payable to:** The Citizens Foundation
**Mailing Address:** 1877 Featherston Drive, Mississauga, Ontario L5L 2T2

**USA**
**Cheque Payable to:** The Citizens Foundation, USA
**Mailing Address:** 2425 Touhy Avenue, Elk Grove Village, IL 60007

## Donate Through Deposits

Deposits or direct bank transfers can be made to our accounts in any of the below mentioned countries. If you wish to receive a receipt acknowledging your donation, please communicate your address & donation details through a letter or by filling out the relevant forms given above. An official receipt will be promptly mailed to you.

**PAKISTAN**

**Title of Account:** The Citizens Foundation
**Account Mode:** Zakat Only
**Bank:** Meezan Bank Ltd., FTC Building Branch, Karachi
**Account no.:** (PKR) 0103-0100024747
**IBAN No.:** PK77MEZN0001030100024747
**Swift Code:** MEZNPKKA
**Branch Name:** FTC Building
**Address:** Ground Floor, Block-B, Finance Trade Centre (FTC), Shahra-e-Faisal, Karachi-74400, Pakistan

**Title of Account:** The Citizens Foundation
**Bank:** Askari Bank Ltd., Clifton Branch, Karachi
**Account no. (PKR):** 015-165-050046-3
**IBAN No.:** PK34ASCM0000151650500463
**Account no. (US$):** 015-050-060016-5
**IBAN No.:** PK03ASCM0000150500600165
**Swift Code:** ASCMPKKA

**Title of Account:** The Citizens Foundation
**Bank:** Bank Al Habib Ltd., Sharah-e-Faisal Branch, Khi
**Account no. (PKR):** 1003-0081-052114-02-7
**IBAN No.:** PK61 BAHL 1003 0081 0521 1902
**Account no. (US$):** 41805382275-5
**IBAN No.:** PK08 BAHL 1003 0418 0538 2275
**Swift Code:** BAHLPKKA

**Title of Account:** The Citizens Foundation
**Bank:** Standard Chartered Bank, Main Branch, I.I. Chundrigar Road, Karachi.
**Account no. (PKR):** 01-1348477-01
**Swift Code:** SCBLPKKX

**Title of Account:** The Citizens Foundation
**Bank:** NIB Bank, Clifton Branch, Karachi
**Account no.(PKR):** 1729667
**IBAN No.:** PK60 NIBP 0000 0000 0172 9667
**Account no.(PKR):** 1729012
**IBAN No.:** PK91 NIBP 0000 0000 0172 9012
**Account no.(US$):**1750208
**IBAN No.:** PK02 NIBP 0000 0000 0175 0208
**Account no.(GBP):**1711911
**IBAN No.:** PK98 NIBP 0000 0000 0171 1911
**Account no.(EUR):**1756559
**IBAN No.:** PK21 NIBP 0000 0000 0175 6559
**Swift Code:** NIBPPKKA

**Title of Account:** The Citizens Foundation
**Bank:** MCB Bank Limited Bank
**Account no. (PKR):** 7303255 1000981
**IBAN No.:** PK11 MUCB 0073 0325 5100 0558

**Title of Account:** The Citizens Foundation
**Bank:** Habib Bank Limited Bank, Korangi Branch, Khi
**Account no. (PKR):** 19107900177401
**IBAN No.:** PK57 HABB 0019 1079 0017 7401

**Title of Account:** The Citizens Foundation
**Bank:** Bardaya Bank, Dawood Centre Branch, Karachi
**Account no. (PKR):** 126018

**Title of Account:** The Citizens Foundation
**Bank:** United Bank Limited, Clifton Branch.
**Account no. (PKR):** 949-12000120
**IBAN No.:** PK50UNIL0000094912000120

**Title of Account:** The Citizens Foundation
**Bank:** Faysal Bank Limited, Shahrah-e-Faisal Branch, Karachi
**Account no. (PKR):** 01311490008983

**UAE**
**Title of Account:** The Citizens Foundation
**Bank:** Habib Bank AG Zurich, Main Branch, Baniyas Square, P.O Box 3306, Deira, Dubai.
**Account no. (AED):** 020101-20430-105-266861
**Account no. (USD):** 020101-20430-333-266861
**Swift Code:** HBZUAEAD
**Mailing Address:** Office No. 118, Building No. 4, International Humanitarian City, Dubai Industrial City Headquarters, P.O. Box No. 506007, Dubai, UAE
**Fax:** 971 4 3681097

**OMAN / QATAR / KUWAIT**
**Title of Account:** The Citizens Foundation
**Bank:** Askari Commercial Bank Ltd., Clifton Branch, Karachi.
**Account no.(PKR):** 015-165-050046-3
**IBAN No.:** PK34ASCM0000151650500463
**Account no. (USD):** 015-050-060016-5
**IBAN No.:** PK03ASCM0000150500600165
**Swift Code:** ASCMPKKA

**ITALY**
**Title of Account:** Associazione Italian Friends of TCF - The Citizens Foundation
**Bank:** Banca Popolare Commercio e Industria
**Address:** Via Moscova 33, Milan, ITALY 20121
**Swift Code:** BLOPIT22
**IBAN No.:** IT79 E050 4801 6010 0000 0006 391

**UK**
**Title of Account:** The Citizens Foundation
**Bank:** HSBC Bank, Leadenhall Market Branch, 95 Gracechurch Street, London, EC3V 0DQ.
**Sort No.:** 40-04-12
**Account No.:** 71415255
**Name of Charity:** The Citizens Foundation - UK
**Charities Commission no.:** 1087864
**Mailing Address:** 10 Margaret Street, London W1W 8RL
**Telephone:** 0845-230-1947
**Email:** amina.salahuddin@tcf-uk.org
All donations are tax deductible for UK basic and higher rate taxpayers under the Gift Aid Scheme

**USA**
Please call TCF-USA at 888-729-3022
**Mailing Address:** 2425 Touhy Ave. Elk Grove Village, IL 60007
**Email:** contact@tcfusa.org

**CANADA**
**Title of Account:** The Citizens Foundation, Canada
**Bank:** Bank of Montreal
**Address:** 2146 Burnhamthorpe Rd. West, Mississauga, Ontario L5L 5Z5
**Institution No.:** 001
**Account No.:** 8309-457
**Swift Code:** BOFMCAM2
**Mailing Address:** 1877 Featherston Drive, Mississauga, Ontario L5L 2T2

**Sajida Ramzan**
Primary Principal



*"Great teachers empathize with kids, respect them, and believe that each one has something special that can be built upon." — Ann Lieberman*




# How you can help TCF

## Endowment Fund

| TCF endowment options | Contribution |
|---|---|
| A Lifetime Support for a Child | PKR 180,000 |
| A Lifetime Support for a School | PKR 18million |
| General Endowment Fund | PKR 1million and above |

## Adopt-A-School

| Operational cost of a School for a year | Contribution |
|---|---|
| | *PKR 1,650,000 |

* the support cost for more than one unit will be multiple of the above mentioned cost

## Build-A-School

| | Contribution |
|---|---|
| Primary school | *PKR 18,400,000 (13 Million + 5.4 Million) |
| Secondary school | *PKR 19,400,000 (14 Million + 5.4 Million) |

* this amount includes Establishment Cost + 3 year School Startup operational cost where as Establishment Cost includes construction cost of classroom and admin block, van for teachers, furniture, utilities, library books and lab equipment.

## Educate-A-Child for a Year

| | Contribution |
|---|---|
| 1 month | PKR 1,000 |
| 1 year | PKR 12,000 |
| KG to Matric | PKR 132,000 |

Please Note:

- The construction amount for Secondary School is for one unit only. However for cost efficiency, secondary schools are built as dual units. A donor can donate for construction or support a single unit seperately (subject to availability) as part of the overall secondary school project.
- Construction costs are average for the current built cycle of 2013-2014. Rates vary for different locations and are subject to revision based on cement and steel prices. These are average construction costs. Any deficit / surplus is adjusted by/in the general construction budget.
- All construction in the earthquake zone will need to take into account special earthquake resistant architecture and its respective cost.

## How you can contribute

**Donate via Bank Deposit**
Make your contribution in any one of the banks mentioned (on page 91) Kindly ensure to use the correct account number.

**Donate in Cash**
Cash donations can be made at The Citizens Foundation. Or you can give us a call, the donation can also be collected from your doorstep. (only in Karachi)

**Donate via Courier**
Make your cheques and drafts payable to 'The Citizens Foundation' and send via courier/postal service to The Citizens Foundation, Head Office: Plot No. 20, Sector No. 14, Korangi Industrial Zone, Karachi, Pakistan.

**Donate via Credit Card**
Please visit www.tcf.org.pk

Surat Un Nisa
Primary Principal



*"A teacher takes a hand, opens a mind, and touches a heart."*
*— Author Unknown*



# TCF receives Corporate Awards

# 29th Corporate Excellence Award

TCF takes immense pride in sharing a wonderful news with all supporters and friends that the organization was adjudged the winner of the '29th Corporate Excellence Award' in the Non-Profit Social Services Organization Sector by the Management Association of Pakistan (MAP). President-elect of Pakistan, Mr. Mamnoon Hussain presented the award in an elaborate ceremony held on August 22, 2013. TCF CEO, Mr. Syed Asaad Ayub Ahmad and Chief Financial Officer, Khwaja Bakhtiar Ahmed were invited to the ceremony to receive this prestigious award.



TCF CEO, Mr. Syed Asaad Ayub Ahmad receiving the award from President-elect Mr. Mamnoon Hussain.






# Best Corporate Report Award 2012

TCF was awarded the Best Corporate & Sustainability Report Award for the year 2012 by the Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan in the non-profit organizations category.

The award was presented by Mr. Ahsan Saeed, President of ICAP and Mr. Zia ul Mustafa, President ICMA to Brig. (R) Sabur Ahmed, GM Operations, TCF. Best Corporate Report Awards were given to recognize excellence in corporate and sustainability reporting while promoting transparency through timely, factual and reader-friendly annual reports.

Samina Kosor
Primary Principal



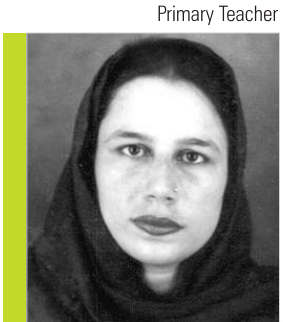
*"I am a teacher because of teachers. They showed me that someone other than my mother could love me."*
***—GuyD oud***

# TCF at a Glance



- 126,000 students.
- Almost 50% female enrollment.
- 910 operational school units.
- Female faculty - fully trained 6,300 teachers and principals.
- Serving in 97 towns and cities throughout the country including Azad Jammu and Kashmir.
- Ranked among the top scoring organizations by the Pakistan Centre for Philanthropy (PCP).
- TCF was awarded the Best Corporate & Sustainability Report Award for the year 2012 by the Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.
- Winner of the International Award by the South Asian Federation of Accountants (SAFA).
- Winner of the 29th Management Association of Pakistan (MAP) 'Corporate Excellence Award' in the Not-for-Profit Social Services Organisation. Sector.
- Recipient of WISE Award for innovation in education by the Qatar Foundation.
- Member of the Clinton Global Initiative (CGI).
- Recipient of the prestigious International Skoll Award for Social Entrepreneurship (SASEs).
- High Non-Profit Organization (NPO) governance rating of GR8+ by JCR-VIS Credit Rating Co. Ltd.

**Razia Jabeen**
Primary Teacher



*"A good teacher can inspire hope, ignite the imagination, and instill a love of learning."* — ***Brad Henry***

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

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Disclaimer: All photographs included in the Annual Report have been taken with the consent of the individuals / groups.

*The teacher who is indeed wise does not bid you to enter the house of his wisdom but rather leads you to the threshold of your mind.*

***Kahlil Gibran***

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