THE CITIZENS FOUNDATION



A New Chapter Begins...

ANNUAL REPORT 2016



Twenty-one years ago, The Citizens Foundation embarked on an audacious journey to educate Pakistan's most disadvantaged children and establish a thousand schools. The milestone has been achieved but the journey is far from over.

24 Million children are out of school in Pakistan and many more languish in dismal classrooms at the mercy of untrained and uninspired teachers.

The Citizens Foundation is now writing a new chapter in its promising story - an ambitious programme to revamp and revive failing Government schools. This effort will leverage existing Government school infrastructure by applying TCF's model of delivering affordable, quality education on a large scale.

The educational crisis we face is enormous and complex, but we at TCF believe that it remains a solvable problem, and one that we must address if we are to unleash our potential as a nation.

Our resolve must be as stubborn and unyielding as the challenge we confront.



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.

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THE CITIZENS FOUNDATION

The Citizens Foundation (TCF) is a professionally managed, non-profit organisation set up in 1995 by a group of citizens who wanted to bring about positive social change through education. 21 years later, TCF is now one of Pakistan's leading organisations in the field of education for the less-privileged.

The TCF model focuses on providing quality education through purpose-built schools located in the heart of Pakistan's urban slums and rural communities. The organisation ensures that girls make up nearly 50% of overall student strength. To magnify its impact, improve enrolment and quality of education, TCF is now adopting Government schools across Pakistan.

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

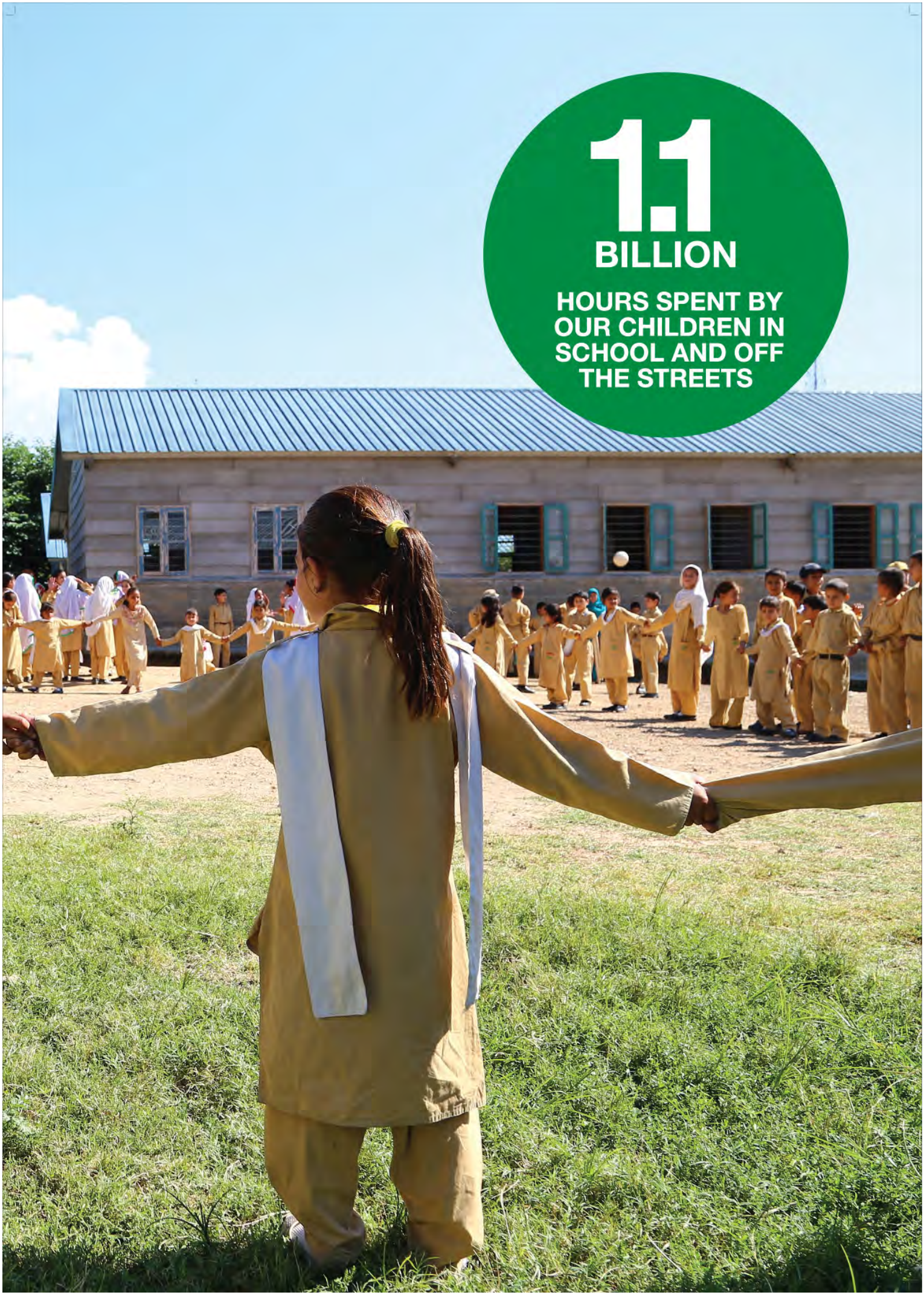
Integrity

Ownership

Continuous Improvement




21
YEARS
1,202
SCHOOL
UNITS
175,000
CHILDREN
CURRENTLY
ENROLLED


1.1
BILLION
HOURS SPENT BY OUR CHILDREN IN SCHOOL AND OFF THE STREETS

April 2016: Schools opened to a **New Chapter in TCF's History**

TCF assumed management of
87 GOVERNMENT owned schools
IN 9 DISTRICTS





WHEN WE TOOK OVER, **the schools were in very poor condition...**

There was a dearth of furniture and facilities

Children were routinely subjected to corporal punishment

Teacher absenteeism was rampant

On average, there were just 3 teachers per school

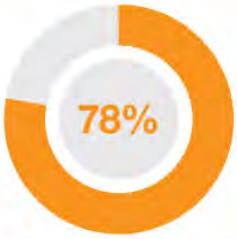
A BASELINE STUDY REVEALED **severe shortcomings**



of Class 5 students could not read Class 2 level text in English



of Class 5 students could not write Class 2 level sentences in English



of Class 5 students could not perform Class 3 level two-digit division

WE IMMEDIATELY WENT TO WORK **on improving these schools**



622
teachers and principals have been hired

30,450
hours of teacher training have been conducted

57
schools have been refurbished so far

OUR EFFORTS RESULTED IN **a dramatic increase in enrolment**

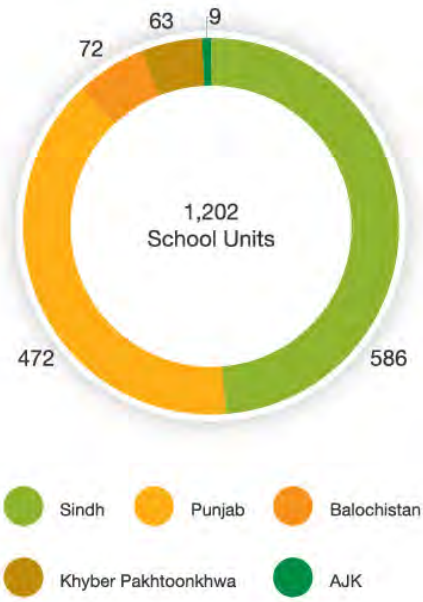
Average enrolment per school jumped
from 47 students to 126 students

WE ARE **forging ahead...**

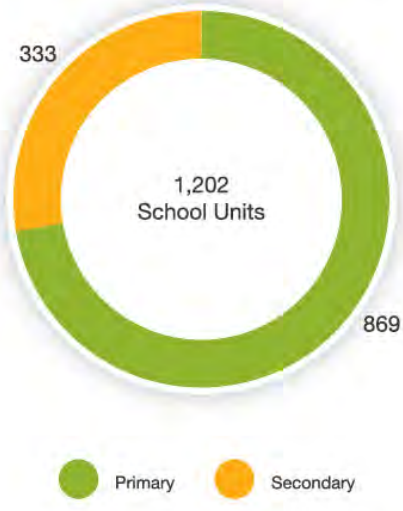
from **87** adopted government schools to **250+** schools by the end of 2016-17

TCF School Network

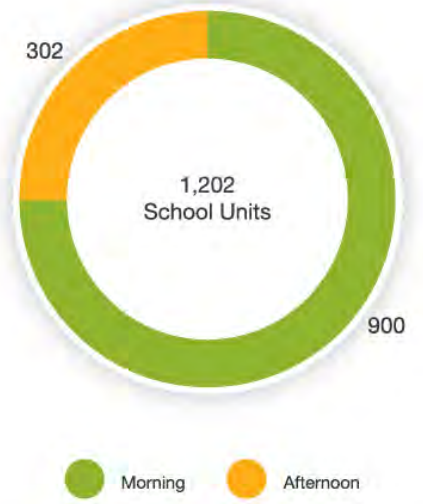
Provincial Breakup of Schools

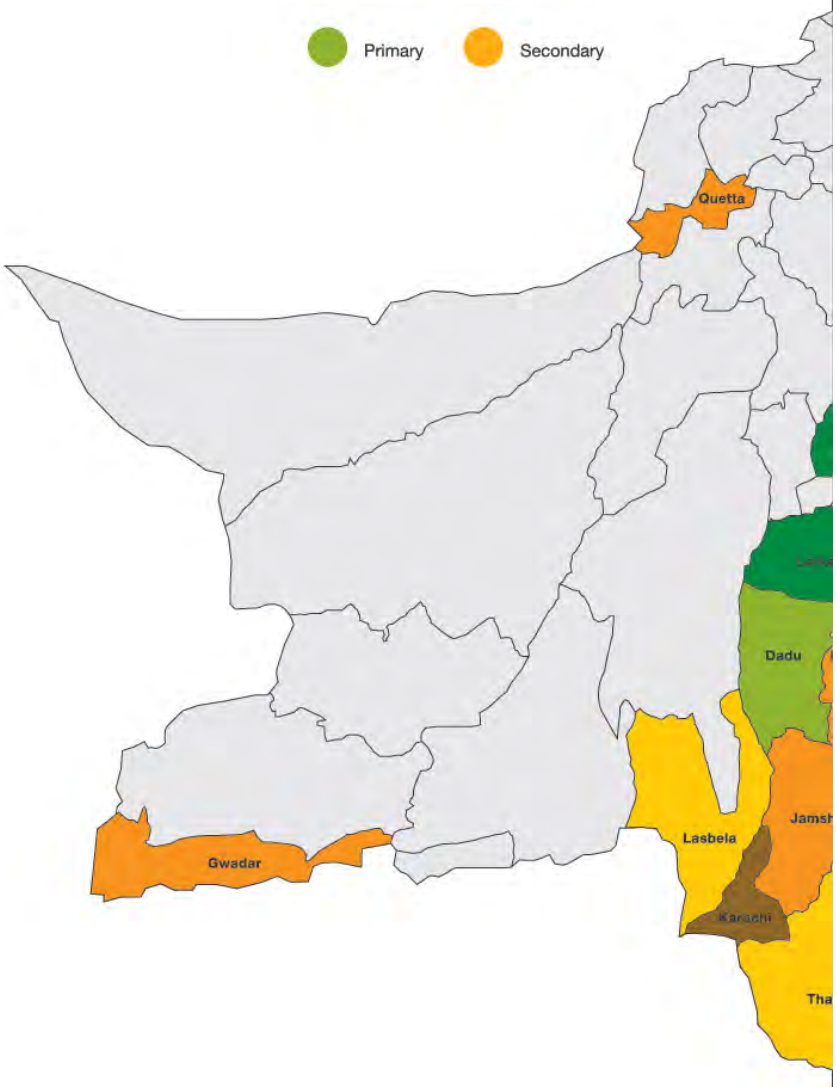


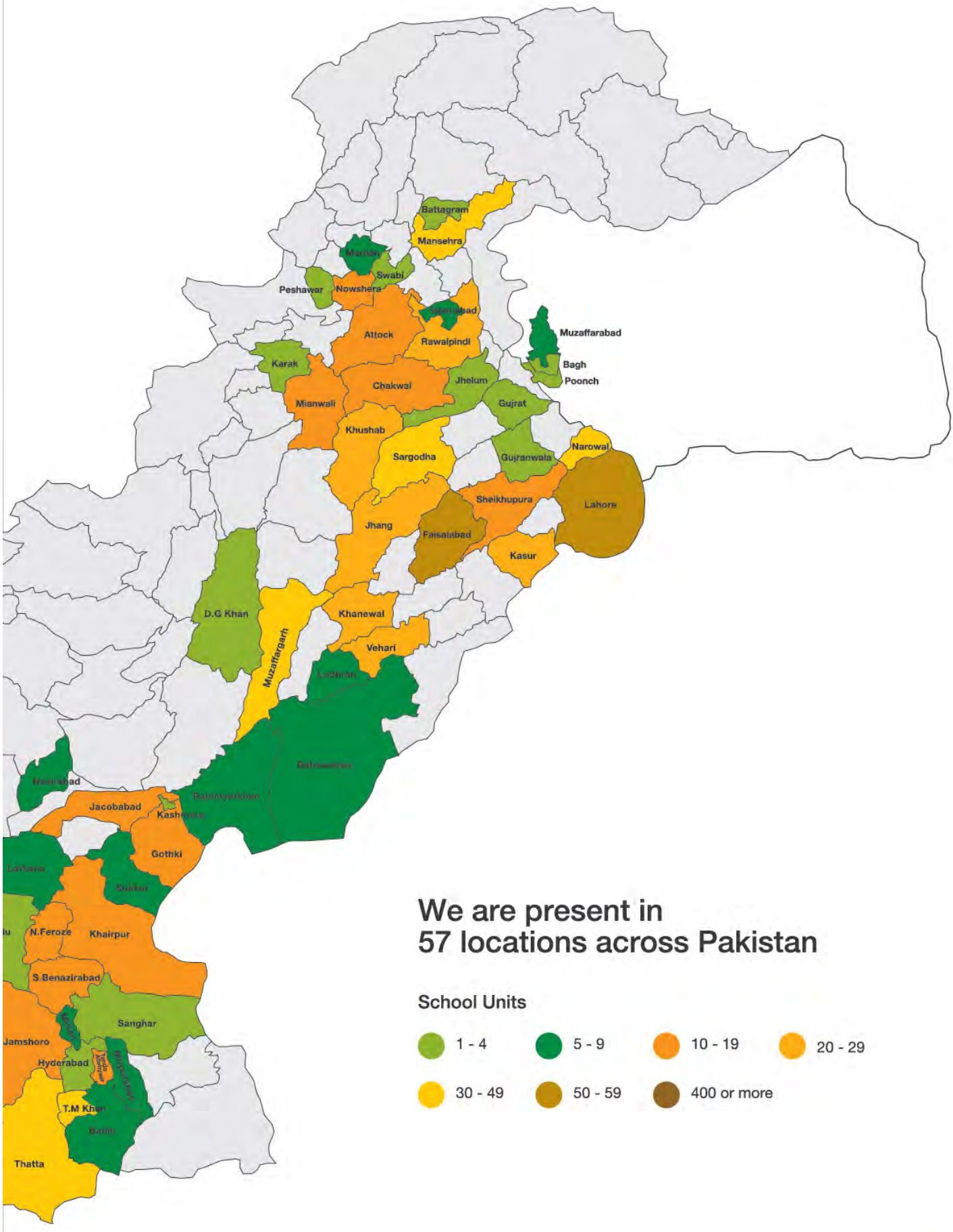
Breakup of Schools by Primary - Secondary Level



Breakup of Schools by Shift






Battagram
Mansehra
Swabi
Peshawar
Nowshera
Attock
Rawalpindi
Muzaffarabad
Bagh
Poonch
Karak
Chakwal
Jhelum
Mianwali
Gujrat
Khushab
Sargodha
Gujranwala
Narowal
Sheikhupura
Lahore
Jhang
Faisalabad
Kasur
D.G Khan
Khanewal
Vehari
Muzaffargarh
Jacobabad
Gothki
N.Feroze
Khairpur
S.Benazirabad
Sanghar
Jamshoro
Hyderabad
T.M Khan
Thatta
We are present in
57 locations across Pakistan
School Units
1 - 4
5 - 9
10 - 19
20 - 29
30 - 49
50 - 59
400 or more

A Bountiful Harvest

Like ancient ruins re-inhabited by its erstwhile settlers, awakened from their slumber, the Government Primary School in Theh Rosa is abuzz with the sounds of excited children and teachers intent on making up for lost time.





Deep in the heart of Tehsil Kot Radha Kishan, District Kasur, lies the tiny village of Theh Rosa - population: 1,500. Beyond the handful of village shops lining the dusty streets, the main source of sustenance for the village continues to be farming and livestock. An endless vista of golden wheat with the occasional smattering of vegetable patches greet the occasional visitor and tell a story of lives lived deeply connected with the land and with the divine rewards of one's labour. Judging by the wall-to-wall display of dung patties and the neighbourly chatter exchanged across low, trusting walls, one would imagine that not much has changed in this village over the decades. Just a few hundred metres down the village dirt track, however, in the ramshackle building of the Government Boys Primary School, Theh Rosa, the early murmurings of a quiet revolution are clearly audible.

One enters the school with a sense of shock and despair at witnessing the state of the school building. The Government of Punjab's School Basic Information website describes it as: 'School Building: Existing; Building Condition: Dangerous'. While two rooms remain barely functional, the rest of the building is a wretched assortment of caved-in roofs, crumbling concrete walls and exposed, mangled metal. And yet, like ancient ruins re-inhabited by its erstwhile settlers, awakened from their slumber, the school in Theh Rosa is abuzz with the sounds of excited children and teachers intent on making up for lost time.

Last October, the boys primary school in Theh Rosa was on the list of the 1,000 worst-performing schools in the province selected by the Government of Punjab to be handed over to private sector management in an attempt to turn them around. In the space of a few months, the Government completed its selection of partners for the Punjab School Support Programme and by April 2016, TCF had hired the teachers, principals, administrative staff and management required to manage the 79 schools it had been entrusted with. TCF also triggered some basic repair and maintenance across its adopted schools and ordered additional furniture, but a lot more still needs to be done when and if the resources become available.

> 'The previous 'Sir' never used to teach us anything. The children would be fighting amongst themselves but the teachers would not be bothered. Sometimes it would be 'Bachay (child)! Go get us some 'barfi' (sweet) to eat.'

'This school used to be very different', says Summran Talha, a tall Class 5 boy with bright eyes and a winning, shy smile.

'The previous 'Sir' never used to teach us anything. The children would be fighting amongst themselves but the teachers would not be bothered. Sometimes it would be 'Bachay (child)! Go get us some 'barfi' (sweet) to eat.' Sometimes it would be 'botal' (soda) or fruits. When they would be done, they would say, 'Let's take a break', and soon it would be time to go home. Now our teachers explain everything to us. There are times when I don't understand, ... but they tell us to ask them again and again if we need to. Everyone in the village says that the school provides good quality education now. They want to send their children here.' Summran has dreams of being a soldier one day. He enjoys his English lessons the most and when asked, which subject he finds the most difficult, he breaks out of his usual shy demeanor and promptly replies: 'Nothing!'



Summran's teacher Miss Nargis is beaming as she looks at Summran conversing confidently. She can see the difference just a few months of proper schooling has made in Summran's life. 'He did have potential, but I can tell you, he hardly knew anything when we started our work.' The 'we' in Miss Nargis's discourse refers to her leader, the Principal and the four other teachers who joined the team assigned by TCF to this school in Theh Rosa as the academic year began in April 2016.

'It was very difficult in the beginning', she says. 'There was no place to sit, no water to drink; ... nothing! We put the broken furniture to one side and cleaned up the place ourselves. Village folks who visit are surprised to see the place now.'

'When we joined, even the kids in Class 5 didn't know in which direction they should read the numbers. They didn't know their alphabet. It's not their fault. If nobody taught them anything, how can they be expected to know anything? We felt that if we have been given this task, we must work on the foundations of their learning, no matter how much time has been lost. This is our future which was getting ruined. So we started slowly with counting and tables, then basic addition and subtraction. Even in Urdu, we had to start with joining letters together to form words. We are very happy that they are catching up very fast. I am very optimistic that we can give them a great future.'

Miss Nargis used to teach at a private school in Kasur before joining TCF. 'Although private schools pay this much as well but ... there is some work that one develops a passion for', she smiles. 'Over there I just had to deliver results, but here I feel like I have a responsibility to these children. I want this school to be famous for its standard of education. It's a challenge. We have to take this school somewhere.'

Outside, the wind picks up and turns the fields of wheat into a rolling sea of gold. The villagers of Theh Rosa know that nature shares its bounties only with those who put in the hard work when it is most needed. As they look towards the school, they have reason to believe that the village will receive bountiful harvests for many years to come.

Zia Akhter Abbas



Defying Stereotypes through Enterprise

Surrounded by uncertainty when his father met an unfortunate accident, Wajid Ali's story reflects a young man's resilience in the face of adversity and his determination to find his own, unconventional path to success.



Wajid Ali's home is nestled deep within lush green fields, 4 km from the Wagah border and close to his alma mater, TCF's Al-Ghurair Campus. Upon approaching his house, one encounters a lanky young man bent over his wheat crop, almost reluctant to let go and engage with us for our scheduled interview. His cordial demeanour and firm handshake reflect the warmth and hospitality our hinterland is famous for. Dressed in jeans and a button down shirt, however, Wajid defies the stereotypical picture of a 'farmer' most of us visualise due to our social conditioning.

Wajid's father is a farmer and an employee of the Pakistan Railways. He has 7 sisters and 2 brothers, all at various stages of schooling. At 26, Wajid is the eldest and contributes to the household income, along with his father. He makes a living through farming and selling his crop in the main vegetable markets of Lahore.

Dissatisfied with the quality of education imparted at the local government school, Wajid's family enrolled him at TCF School in the 7th grade, after he completed his primary education. 'We were aware of TCF's high standard of education because the whole community spoke highly of the school', says Wajid.

As he delves into a detailed discussion of his school, Wajid's eyes beam with excitement and his tone picks up. 'There was a marked difference in the syllabus and the approach to learning was much more engaging. It was so refreshing to be part of a learning environment which focused on real concepts and exploration as opposed to rote learning. Our school principal, Miss Rahila Nadeem inspired me as she always encouraged us to work hard, saying that education will take us far in life. She gave me the confidence and desire to follow my dreams.'

Clearing his Matriculation with flying colours in 2007, Wajid went on to the prestigious F.C. College, Lahore, from where he completed his Intermediate in 2009. This was when Wajid's father met with an unfortunate accident. Bedridden and expected to be out of work for the next 6 months, these were uncertain and testing times for the family. As the eldest sibling, Wajid did not have the luxury to dwell upon his misfortune for too long. He had to be a pillar of strength for his mother and rest of the family and now had the added responsibility of running the household.

Circumstances did not allow Wajid to pursue his B.Sc. in Economics, as he had planned, but they certainly did not deter him from pursuing his dreams of higher education. Wajid says, 'with my father on bed rest and out of work, I could not afford to go ahead with my plan but I still decided to do my B.Com

privately. I suddenly found myself in a position where I had to work in order to make up for the loss of cash flow over the next few months. My father had been a farmer in addition to his job; I now decided to take it up professionally as well. I would make a daily trip to Lahore's main vegetable market to sell my crop, first thing in the morning and then go to my academy in the afternoon to prepare for my B.Com exams. I then came home in the evening to tend to my crops. This was my routine for two years.'

people to assist him with his work. He intends to grow his venture by investing in innovative technologies to enhance crop yield. One of these which Wajid plans to implement soon, is the use of 'tunnel farming techniques' to counter seasonal constraints and enable the production of various crops all year round. 'In this line of work you have to be very adept at matching supply with demand and I intend to do just that through innovation. Investing in this technique would help me increase both earnings and the yield on my relatively small plot of land.'



By the time Wajid completed his B.Com, he had spent two years farming commercially and had developed quite a fondness for his adopted trade; a devotion which is palpable when you observe him in the field among the crops. 'At this point, although my father had recovered and resumed his job Alhamdulillah (Praise to God), I decided to continue with farming as I personally found it very satisfying, and it seemed that I could do the job well', says Wajid, with a sheepish grin on his face.

His father's gradual recovery also meant that Wajid could once again focus on higher education with renewed zeal. 'My teachers at TCF instilled in me the appreciation and desire for constant learning and personal development; this approach has now become a part of my life.' The next stop in Wajid's educational journey was an M.Com from the University of Central Punjab, which he acquired in 2014.

Speaking about social perceptions of the value of farming and trades that involve any manual labour, Wajid says, 'I have been asked often why I do not apply for a job considering I have invested so much into my education. But who says that the outcome of education or the meaning of success for that matter, has to be tied to a 9 to 5 job? I take great pride in the little enterprise I run which is rewarding, both financially and emotionally'.

'It was so refreshing to be part of a learning environment which focused on real concepts and exploration as opposed to rote learning.'

With his education, however, Wajid is not like all the other farmers in his community. He has now hired a team of young

Wajid believes his education has played an instrumental role in equipping him with the skills to compete effectively in the market. 'I have an understanding of the chemical composition of all major pesticides and treatments being used and have also learnt to carefully distinguish between the different types of medicine we use for the crop. This has helped me produce good quality crop, consistently', informs Wajid. His efforts in the field are complemented by his strong negotiation skills with the wholesalers, enabling him to fetch competitive prices for his crop.

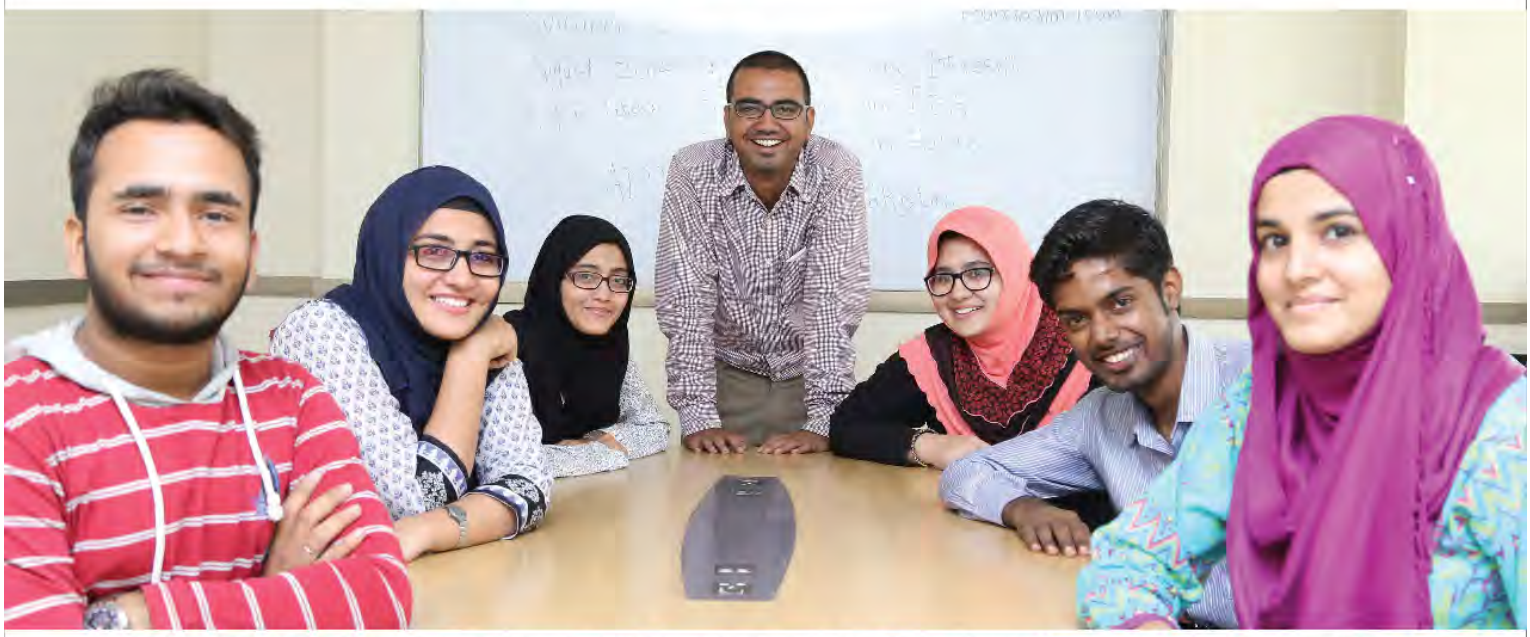
As we leave, we ask Wajid how he feels about where he is today: 'I feel great! People in the community look up to me now. Upon seeing my progress, my relatives and others in the community are now motivated, more than ever before, to send their kids to school. It feels good to be in a position to inspire and help others; what more could I ask for?'

Usman Mujtaba



Building the Ladder to Success

Under the Alumni Development Programme, TCF alumni are teaming up with spirited volunteers to create unprecedented opportunities for the TCF students following in their footsteps. In doing so, they demonstrate the promise and possibilities of the TCF movement.



ADP Volunteer Management Team – (Left to right) Iqran Rasheed, Farheen Ghaffar, Seher Khan, Nadeem Hussain, Mehreen Khan, Imran Shaukat, Mah Noor

More often than not, the road to success depends on knowing what you have to do to get ahead in life and then trying your best to do it.

This is something all those success pundits and speakers leave out of their feel-good narratives that are supposed to leave you full of inspiration and an inexhaustible drive. They will tell you stories of people who went from rags to riches after dropping out from school, the famous artist who went hungry for days, or the melancholy composer who dreamt of tunes under serious bouts of depression. After telling you these tales of hard work these pundits consider their jobs done.

'The biggest difference in me? I now know what I have to do - there are thousands of other kids like me who are capable of doing much more but there is no one to steer them to the places where they too can have, at least an opportunity if not an equal chance of succeeding,' shared Iqra Saleem, graduate of a TCF school in a remote industrial area of North Karachi who now studies finance at the premier Lahore University of Management Sciences (LUMS). She is now attending the Saginaw Valley State University in Michigan, USA for a semester through a scholarship from the US State Department's Education and Culture Bureau.

Nadeem Hussain, another TCF alumnus, who initiated the Alumni Development Programme (ADP), knew exactly what was needed to build a ladder for students like Iqra, to access equal and fair opportunities in higher education.

Nadeem was born in a remote village of Naushehro Feroze district in Sindh. He was about six months old when his father decided to move to Karachi to secure a better future for his children.

Upon the family's arrival in Karachi, they discovered to their dismay that the area where they lived - right in the middle of one of the several industrial zones in the largest city of the country - had no school. If The Citizens Foundation hadn't opened its campus in his community, Nadeem probably would have never seen the inside of a classroom.

Nadeem is now a Technical Assistant for the World Bank. Having worked his way through Intermediate to the Institute of Business Administration (IBA), Nadeem set an example for his younger siblings.

'Kids like me don't even have access to basic facilities such as the internet which a 'normal' young adult now might take for granted. We don't know what doors could be opened for

us and what we need to do to open them. We go to school and then college and mostly that's it for us. Intermediate is not enough to secure a good job and thousands of other kids like me don't know what else we can do to look for more opportunities,' said Nadeem

Till about three years ago, if anyone had told Imran Shaukat that he would be studying in one of South Asia's top universities, he would not have entertained the thought.

'I had not even heard of the Institute of Business Administration! I was an auto mechanic in a small village just off Northern Bypass in Karachi. I had completed my Matric and worked at a repair shop every evening after studies because it added an extra Rs. 2,000 to the household income,' he said.

One afternoon in 2013, just after he had completed his Intermediate, Imran received a call from a founding member of the 'TCF Ambassadors at IBA', asking him to consider attending preparatory classes for the University's admission test.



Iqra Saleem

'It is not just my life that has changed. This opportunity has reshaped my family's future too. My father remains ill most of the time, so it has been my mother who has toiled as a domestic worker all her life to feed me and my three siblings, and to keep a roof over our heads,' says Imran, who now studies in IBA's Computer Science Programme.

Meanwhile, feeling that reputable universities of the country were becoming saturated with students from privileged backgrounds, the Dean and Director of IBA at the time, Dr. Ishrat Husain offered his patronage to 'TCF Ambassadors at IBA', led by Nadeem Hussain and Farheen Ghaffar, which has now evolved into a more structured TCF Alumni Development Programme (ADP).

'Such students not only change their own lives but also the fortunes of their families and by default, also become role models in their own communities,' commented Dr. Ishrat. 'For them the struggle is much harder but they are also more determined than students who are relatively well off, because they have much more at stake.'

One such student is Iqran Rasheed, a resident of Goth Dhani Bukhsh near the Karachi airport who is majoring in Communication Studies and Design at Habib University (HU). 'If the TCF-ADP team had not called me, it would have been impossible for me to even think of applying at HU,' shared Iqran. 'I remember that time… my whole future was at stake. I would get to the library at 8:00 in the morning and stay there till 8:00 in the night'.

What the programme has also achieved is an effective zero-cost model that is entirely dependent on the time and tutoring services of undergraduate university students.



Asad Sajid

'All we use are old books of IBA students who also donate their time to teach students. Some do it because they like what they are part of while others do it to meet a social internship requirement,' explained Nadeem. 'The TCF Ambassadors model has now been replicated in two other universities besides IBA: Habib University and Institute of Business Management (IoBM), where our students are receiving a high quality education. The cause is led by people who have been through the system so they own it.' The TCF-ADP runs purely through volunteers who head different portfolios of the programme. The ADP team is careful in its selection of volunteers and many of the people doing the work on the ground are people who are direct beneficiaries of TCF's mission of removing barriers of class and privilege from education.

'No one understands the entire programme better than us because we are its products,' said Iqran who now leads the TCF Ambassadors team at Habib University.

Another student of IBA's BBA Programme, Asad Sajid, makes the two-and-a-half-hour commute from his home in Geedar Colony in the city outskirts every day. 'I'm a TCF alumnus and the background TCF students come from is different from the backgrounds of most students here,' he admits. At the same time, he feels entitled to be at IBA and fully experience what other students are experiencing. Asad now hopes to pursue Human Resource as his degree major and study further. After graduation, Asad aspires to enrol in the MBA Programme at the Wharton School of the University of Pennsylvania. He knows he can make it that far because he has worked very hard to get where he is. He knows now that he can manage whatever life sends his way.

■ **Tehmina Qureshi**

A Village Transformed by Education

When TCF opened its first school in Minhala, it was a challenge to convince the community to send their daughters to school. Almost two decades later, the young women who have graduated from TCF Schools in the area are leading the community's transformation.



At a cursory glance, Minhala appears to be a sleepy village, on the outskirts of Lahore, much like any other small village dotting the rural Punjab landscape. Like elsewhere, the unassuming inhabitants of this border town lead quiet lives and struggle to eke out a living. A closer look reveals that despite all odds, they remain undeterred in their quest to achieve more in life through sheer enterprise, resilience and hope for a better future. Hit hard by the pervasive cycle of poverty and unemployment, the pursuit of a better life gets hampered by the absence of quality education and healthcare.

Almost two decades ago, a ray of hope emerged in the form of The Citizens Foundation's (TCF) first school unit being established in the community. In fact, through its foray into Minhala, TCF initiated its first few school units in Punjab. Insular, and unaccustomed to change, some parents and community elders harboured apprehensions about the school and were reluctant to have their children enrolled. Many others, however, were eager to write a new chapter in their children's educational journey. Frustrated by the poor quality of education and teacher absenteeism at their local government school, these hopeful parents took TCF up on its promise of a quality education. Later, on their insistence, TCF initiated a Higher Secondary College in 2005 and TCF Degree College for girls in 2010. Today, TCF caters to the local population through 7 school units (4 primary, 2 secondary and 1 higher secondary and degree college for girls).

Sadaf Nosheen is one of the girls who completed her Intermediate from TCF College after clearing her Matriculation examination from TCF School with flying colours.

'Our village is now a living example of the benefits which education brings about. It has changed the habits, lifestyles and conduct of people in our community'.

Sadaf's determination secured her a scholarship at the local Women's College from where she completed her B.A. in 2009. Looking back at her school years, Sadaf says, 'It hasn't always been easy. It took quite a bit of convincing to be allowed to go for higher education, but I had always kept my end goal in mind, which made things easier and helped me stay on track.' After her B.A., Sadaf went back to school, this time, as a teacher at her alma mater. 'I wanted to give back and play an active role in continuing the mission of TCF; to change our community and empower other young girls', informs Sadaf. Today, she is the school principal at TCF's Mobilink-1 Primary School Campus in Minhala and takes great pride in leading the way as an agent of positive change.

The winds of change sweeping across Minhala soon took the entire community in their fold as initial apprehensions gave way to acceptance and ambition. Muhammad Sami, 45, a teacher at the Government Primary School, Minhala, and father of 6 daughters explains how the quick turnaround in community perception materialised: 'It soon became evident that TCF was living up to its promise of quality education. It was changing the outlook of our children and giving them hope and skills to follow their dreams. Whereas previously they had no motivation to even go to school, our children were now performing exceptionally well academically and their results and overall transformation proved this. Suddenly, everyone in the community and the surrounding villages wanted their kids to be educated at TCF.' Maliha Sami, one of Muhammad Sami's daughters and a graduate of TCF's Shirin Sultan Dossa Campus in Minhala developed a keen interest in Biology at school. 'I had decided very early on that I want to pursue higher education in medicine and my father also always encouraged me to work hard and achieve my goals.' Says Maliha. 'We were ecstatic when I got admitted into GC University, Faisalabad. All my hard work had finally paid off!' beams Maliha as her proud father nods and smiles. She is currently in her 4th semester of the Bachelors in Eastern Medicine and Surgery (BEMS) Programme of the University.



Sadaf Nosheen

Each new conversation with locals is a reflection of the social evolution taking place in the community; of the almost stubborn desire of community members to fight adversity and change their destiny through the acquisition of knowledge. Javaria Yousaf, 26, exemplifies this mindset. Daughter of a lineman working in WAPDA, with meagre resources, TCF's affordable education meant that even her father could afford to send his daughter to school. Joining TCF as a little girl in 2nd grade, she cleared her Matriculation with an impressive 82% overall result. There was no looking back from here on. 'As I performed well and secured good results at every stage of my academics, my family was encouraged to allow me to go for higher education'. Completing her Intermediate and B.Sc. from the Government College for Women, Baghbanpura, Javaria went on to pursue her Master's degree in Economics, privately, from the Punjab University. 'I could progress well and transition smoothly to the next level, primarily because of my strong foundation, thanks to TCF', says Javaria. Now teaching at TCF, she is passionate about transferring the beacon of hope and knowledge to future generations. Securing more than 95% marks in TCF's internal Teachers' Competency Test, Javaria was recognised as 'Teacher of the Year' in 2012. 'It's amazing to see the change in just a few years, since I left school; now that I have come back to teach, the girls are much more inquisitive and well informed,' informs Javaria. Not one to sit still, Javaria now intends to follow her passion for numbers and pursue her M.Sc. in Mathematics.



Javaria Yousaf

These stories from Minhala are a testimony to the resilience and endeavour of ordinary Pakistanis. Dispelling popular stereotypes often attached to village folk, the inhabitants of Minhala are actively promoting the change so acutely needed to break the cycle of poverty, illiteracy and unemployment. Perhaps, the sentiment is best expressed in the words of Nabila Mehmood, a senior principal at TCF's Shirin Sultan Dossa Campus in Minhala: 'Our village is now a living example of the benefits which education brings about. It has changed the habits, lifestyles and conduct of people in our community. It is amazing to see parents send their kids to school, without discriminating between sons and daughters. Many of these young people are now either coming back to teach or securing employment, both in the village and beyond'.

Currently, 894 students are enrolled across TCF's 7 school units in Minhala of which 576 are girls. 27 TCF graduates have now come back as teachers to sustain the light of education which has immensely enriched their own lives. Aware and enlightened, these young women and their families are breaking barriers, both real and imagined, to forge ahead and achieve their goals. In doing so, they are setting a precedent for women across the rural landscape of Pakistan.

Usman Mujtaba





Pursuing Continuous Improvement in Performance

Directors' Report



The Directors of the Foundation are pleased to submit their report together with the audited financial statements of the Foundation for the year ended 30 June 2016.

We are deeply grateful to the All Merciful, for enabling The Citizens Foundation to make a positive impact on millions of lives and earn the trust of its stakeholders and supporters around the world. We would also like to thank all those who have generously supported this cause over the years, with their time, money and prayers.

Key Financial Indicators

Financial Highlights (Rs. in million)	2016	2015	2014	2013	2012	2011
School Support Donation	**2,527**	2,090	1,642	1,318	1,120	901
Education Programme Expenses	**2,325**	1,999	1,628	1,319	1,084	890
Total Assets	**8,061**	6,973	5,914	4,754	4,035	3,501
General and Other Funds	**734**	788	810	863	803	775
Endowment Fund	**1,865**	1,370	973	356	184	133
Foreign Exchange Remittance	**1,811**	1,668	1,695	1,079	962	851
Current Ratio	**5.98**	3.8	5.9	6.6	6.3	7.5
Cash to Current Liabilities	**1.03**	0.4	0.6	1.2	1.0	1.7

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

Chief Executive's Review

The Directors of the Foundation endorse the contents of the Chief Executive's Review for the year ended 30 June 2016. This review covers the state of the Foundation's operational and financial affairs as well as its strategic outlook and plans for future growth. The contents of the said review shall be read along with this report and shall form an integral part of the Directors' Report required under section 236 of the Companies Ordinance, 1984.

Corporate Governance

The Directors are pleased to state that, although it is not bound by the Code of Corporate Governance 2012, your Foundation aims to be as compliant as possible with the provisions of the code. This is a voluntary effort undertaken in order to ensure good governance and transparency.

Statement on Corporate and Financial Reporting Framework

- These financial statements, prepared by the management of the Foundation, present fairly its state of affairs, the result of its operations, cash flows and changes in funds and reserves.
- Proper books of accounts 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.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements. Approved accounting standards comprise such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. In case the requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.
- The system of internal control is sound in design and has been effectively implemented. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements to the system.
- There are no significant doubts upon the Foundation's ability to continue as an ongoing concern.
- There has been no material departure from the best practices of corporate governance.

Election of Directors

Following the expiry of the three-year term of the previous Board of Directors, an election was held on 13 April 2016 and a new Board was constituted. Based on the recommendations of the Governance and Nomination Committee, an increase in the size of the Board of Directors was approved.

The Board would like to thank and place on record its deepest appreciation for the valuable services rendered by the retiring directors Mr. Ishaque Noor and Ms. Nilofer Saeed. The Board welcomes Mr. Ateed Riaz as the new Chairman of the Board. We also congratulate all elected directors and welcome Ms. Bushra Afzal, Ms. Saima Khawaja, Mr. Shahab Bilal Sajjad Haider and Mr. Tariq Raza Hussain as newly elected Directors of the Foundation.

Details of Board Meetings Held Outside Pakistan

During the financial year ended 30 June 2016, six meetings of Board of Directors were held, none of which were held outside Pakistan.

Attendance of Directors in Board Meetings

The Board is currently comprised of 13 members, including 12 independent Non-Executive Directors and one Executive Director. The current and outgoing members of the Board of Directors and their record of attendance in board meetings is provided below:

Committee Members	Status	Eligible to Attend	Attended
Mr. Adnan Asdar	Independent Non-Executive Director	6	4
Mr. Ahsan M. Saleem	Independent Non-Executive Director	6	6
Mr. Ateed Riaz	Independent Non-Executive Director	6	5
Ms. Bushra Afzal **	Independent Non-Executive Director	3	2
Mr. Ishaque Noor *	Independent Non-Executive Director	3	2
Mr. Mushtaq K. Chhapra	Independent Non-Executive Director	6	5
Mr. Musadaq Zulqarnain	Independent Non-Executive Director	6	2
Ms. Nilofer Saeed *	Independent Non-Executive Director	3	-
Mr. Rashid Abdulla	Independent Non-Executive Director	6	1
Lt. Gen. (R) Sabeeh Qamar uz Zaman	Independent Non-Executive Director	6	1
Ms. Saima Khawaja **	Independent Non-Executive Director	3	1
Mr. Shahab Bilal Sajjad Haider **	Independent Non-Executive Director	3	3
Mr. Shahid Abdulla	Independent Non-Executive Director	6	-
Mr. Syed Asaad Ayub Ahmad	Executive Director	6	6
Mr. Tariq Raza Hussain**	Independent Non-Executive Director	3	1

*Retiring Directors persuant to Election of Directors held on 13 April 2016 **Incoming Directors persuant to Election of Directors held on 13 April 2016

Related Party Information

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

a) Rs. 457.15 million (2015: 76.17 million) as Donation/Service received from the companies, in which Directors of the Foundation are also holding directorial positions.

b) Rs. 11.34 million (2015: 7.66 million) in respect of Donations from the Foundation's Directors.

c) Rs. 26.42 million (2015: 21.99 million) paid as remuneration/compensation to key management personnel and Rs. 1.31 million (2015: 0.18 million) received in respect of donation to the Foundation from their personal income.

CEO Performance Evaluation

During the year, the HR&R Committee of the Board evaluated the performance of the CEO in line with the established performance based evaluation system.

The evaluation was reviewed against the following criteria:

- Leadership
- People Management
- Governance and Compliance
- Impact on Society
- Policy and Strategy
- Business Processes/Excellence
- Financial Performance

Subsequently, on the recommendation of the Committee, this evaluation was approved by the Board after its review.

Abstract under section 218 (1) of the Companies Ordinance, 1984

During the year ended 30 June 2016, the Board of Directors revised the remuneration of Mr. Syed Asaad Ayub Ahmad, Chief Executive Officer from Rs. 737,100 to Rs. 803,500 per month effective 01 January 2016. There was no change in other terms and conditions of his appointment.

Mr. Syed Asaad Ayub Ahmad is a deemed Director of the Foundation and is considered as interested in the aforesaid revision of his terms of appointment.

Evaluation of the Board of Directors

The Board of Directors of The Citizens Foundation are experienced and qualified professionals who bring a diverse range of professional and technical expertise to the organisation. The Board of Directors provides oversight on the Foundation's strategy and management effectiveness in order to ensure alignment with its core mission as well as its operating environment. The Board also plays a critical role in ensuring the Foundation's financial sustainability through its fundraising efforts as well as being a source of guidance and expertise for functional leaders within the organisation.

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.

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 Programme of the 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 Foundation have endorsed their appointment for members' consideration at the forthcoming Annual General Meeting.

Chairman
11 August 2016

Chief Executive Officer

Chief Executive's Review



It is my pleasure to present the Annual Report of the Foundation along with audited financial statements and a review of our performance for the fiscal year ended 30 June 2016.

Summary of Financial Results

Description	2016	2015	Increase/Decrease
	Rs. in million		%
School Education Programme Expenses	2,325	1,999	16%
Programme Administration Expenses	230	190	21%
Operating Expenses	**2,555**	**2,189**	**17%**
Donation Income - School Support	**2,376**	**1,952**	**22%**
Total Assets	**8,061**	**6,973**	**16%**

Operational and Financial Review

The Foundation's Balance Sheet has grown to a footing of Rs. 8,061 million (US$ 77.14 million) as of 30 June 2016, compared to Rs. 6,973 million (US$ 68.7 million) as of 30 June 2015. The operating results of the Foundation, as detailed in the Income and Expenditure Account for the year ended 30 June 2016, reflect a 17% increase in total operating expenses, which remained well within the approved budget for the year. This increase is driven by a 16% growth in School Education Programme expenses as compared to 23% last year. This comprises mainly of annual salary increments and allied costs for school staff as well as the impact of newly opened school units. Some of the increase is also caused by greater focus on repair and maintenance of older schools and higher school supervision costs.



The Programme Administration expenses remained at 9%

Programme Administration expenses included in the total operating expenses increased by 21%, due to hiring of new staff, in order to keep pace with organisational growth, and increase in salaries of existing staff. Most of the new members joining the TCF family for the year were recruited to fulfil the requirements of the newly initiated Government Schools Programme (GSP) geared towards forging Public Private Partnership with provinical governments of Pakistan. The management maintained efficient control on Programme Administration expenses, which remained at 9% of total operating cost. The management is committed to ensuring that overheads as a percentage of operating cost remain within the 10% threshold that the organisation has set for itself.

Donation income for school support has increased by 22%. This was made possible through improved donor engagement and increased support from TCF's International Chapters. A well-received Zakat campaign and a new and improved website also contributed significantly to this growth.



Donation income increased by 22%

The Foundation's Zakat process (in terms of collection as well as utilisation of Zakat) continues to be reviewed by a Shariah Advisor periodically and the Foundation has been granted a Shariah Compliance Certificate, included in this Annual Report.

The income of TCF is exempt from income tax under sub-clause (xxviii) of clause (66) of Part I of the Second Schedule of the Income Tax Ordinance, 2001. Any donation made to TCF by any person is allowed as an admissible deduction as per prescribed limits as the Foundation's name is listed in sub-clause (ia) of clause (61) of Part I of the Second Schedule of the Income Tax Ordinance, 2001.

TCF embarked on its journey in 1995, driven by a single unifying idea: to transform the education landscape of Pakistan by making education accessible for the underprivileged. Today, it continues to spread the light of education to 175,000 children currently enrolled at its nationwide network of 1,202 school units.

Improving Quality of Education

TCF's Matriculation results were satisfactory this year as 48% of students scored A/A+ compared to 43% last year, and our target is to increase this figure beyond 50% in the coming year.



48% of our graduates scored A & A+ grades in Matriculation

TCF continued to focus upon enhanced quality of outcomes and further refinement of its educational offering. Testing procedures, designed to gauge the competency of teachers as well as principals were further refined this year. The total number of instructional hours for Grade 9 and 10 students have been increased through summer classes, and e-learning modules for key subjects have been incorporated in secondary school syllabus. Nursery classes have also been re-initiated at some schools to cater to early childhood learning needs and respond to the challenges faced by students whose first language is not Urdu.

Our syllabus of TCF published text books and teacher guides from Grades 1 through 8 continues to be developed and rolled out in stages. We also continue to focus on refining our teacher training mechanisms in order to improve competency and enable better delivery of course material.

Magnifying the Impact of TCF in the Field of Education

Having crossed the 1000 school units milestone, TCF has now launched its Government Schools Programme (GSP) to enter into Public Private Partnership (PPP) with the provincial governments in order to realise its goal for further expansion and outreach. TCF intends to utilise its experience and professional expertise to effectively manage the adopted schools.

TCF has formalised an agreement with the Punjab Education Foundation (PEF) and entered into a PPP arrangement for 79 adopted schools across 6 districts of the province. In Sindh, TCF acquired 2 schools through the Sindh Education Foundation (SEF) and 1 through the Pakistan Railways. Additionally, TCF also assumed management of 5 schools in Khyber Pakhtunkhwa. A new cohort of 622+ teachers and principals has now been inducted into the newly acquired schools. In order to ensure quality of output and service, TCF designed and implemented a comprehensive training programme for all teachers and principals.

Our Foundation now seeks to adopt 250+ government schools by the end of 2016-17. Backed by its expertise of professionally managing schools across Pakistan over the past two decades, I am convinced that TCF is poised well to enter the next era of growth and advancement.

Beyond the School: Towards Higher Education and Achievement

TCF has opened a Higher Secondary College for deserving candidates passing out from TCF Schools in Karachi. Currently, the new initiative is catering to 200 bright students to acquire their qualification in the Pre-Engineering stream. The college aims to bridge the gap from Matriculation to Intermediary education through a dual approach targeting both personality development and academic skills. This will enable them to secure competitive academic results in their higher secondary education and thereby, help them attain their admissions in top rated universities in Pakistan and beyond.



200 students have made their way to the new TCF College this year

Moreover, last year the Volunteers and Alumni Department successfully piloted the foundation level of the Alumni Development Programme (ADP) in all schools in Lahore and Islamabad with Matriculating batches. All three levels (Foundation, 1 & 2) of the programme are already operational in Karachi since 2014. A volunteer-run and managed programme, ADP seeks to improve the basic linguistic, numeracy and soft skills of Matriculating students. By instilling confidence and the right skill set, the programme aims to facilitate students in their transition from secondary to tertiary education.

Corporate Distinctions and Awards

TCF received the 'Certificate of Merit' by South Asian Federation of Accountants (SAFA) for the 'Best Presented Annual Report' in the NGO category. TCF was also declared as winner of the 'Best Corporate Report Award' conferred jointly by the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP).

This year the Management Association of Pakistan (MAP) also acknowledged the organisation and awarded us with the 'Certificate of Merit' at their 31st Corporate Excellence Awards. This certificate is a testament to the unrelenting commitment of TCF to achieve good, corporate governance and the hard work and dedication of our staff towards continuous improvement. TCF is the only non-profit organisation in Pakistan to have won the 'Corporate Excellence Award' by MAP three times.

Governance Rating

Acknowledging the Foundation's focus on transparency and good governance, JCR-VIS Credit Rating Company Limited



We received a very high level governance rating of **GR-9**

has assigned TCF a non-profit organisation governance rating of 'GR-9'. This reflects a 'very high level of governance', for the year ended 30 June 2016. It is a double-leap in ranking (from GR 8+) since the last review which carried out in 2010.

Information Technology

In order to improve the efficiency and streamlining processes, there is an increased focus on using technology and computer-based information systems within TCF. Applications like Microsoft Dynamics Great Plains (GP), Microsoft Dynamics Customer Relationship Management (CRM) the and School Management System (SMS) are already being used.

This year, Microsoft's Business Intelligence Platform was launched which acts as an umbrella system, capable of integrating data from the different systems running across the organisation thus enabling better presentation and analysis for management decision making. Additionally, the Human Capital Management System (HCMS) was also rolled out in its entirety this year. The Foundation also follows stringent IT security policies such as Information Security Policy, IT Standard Operating Procedures, Disaster Recovery Plan and Risk Assessment Policy.

Future Outlook

Today, TCF has a well-entrenched network of 1200+ school units imparting knowledge across Pakistan. We now intend to pursue a significant expansion of our programme; with this in mind, we are researching and incubating a number of possible pathways to this growth. These alternatives include direct participation and indirect intervention in the low fee private schools sector as well as collaborating with the provinical governments under the Public-Private Partnership programme; work on the latter has already been initiated.

We are also exploring the use of technology to achieve consistent, high quality learning outcomes in formal classrooms as well as less formal, community settings. As these efforts mature in the next 2-3 years, growth in the scale and scope of our operations will accelerate significantly.

Sustainability

During the year ended June 30, 2016, TCF's Endowment Fund has witnessed a growth of 36% from Rs. 1,369.9 million (US $ 13.5 million) to Rs. 1,864.9 million (US $ 17.85 million)

which reflects the efforts of the Foundation towards achieving sustainability.

TCF's Endowment Fund witnessed a growth of 36%

We are very thankful to our donors who realise the importance of financial sustainability of the organisation and have generously contributed to the same.

Objective, Strategies and Subsequent Events

There is no significant change in the Foundation's objective and strategies from the previous year. No material changes or commitments affecting the financial position of the Foundation have taken place between the end of the year and the date of this report.

Acknowledgements

Alhamdulillah, TCF owes its success to every single individual who has either joined the movement by donating or working in any capacity with compassion to further the cause. I extend my humble and deepest appreciation for thousands of volunteers, friends and supporters in Pakistan and from around the world who are committed to TCF and continue to create awareness and raise funds for the Organisation.

On behalf of the Board of Directors

Syed Asaad Ayub Ahmad

Chief Executive Officer
11 August 2016

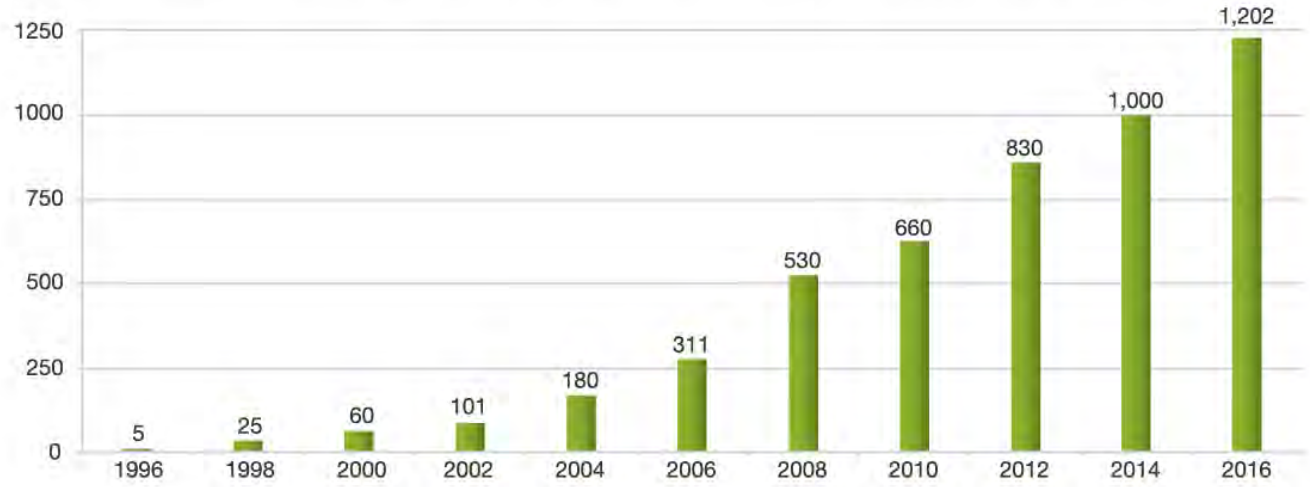


TCF School | Mansehra

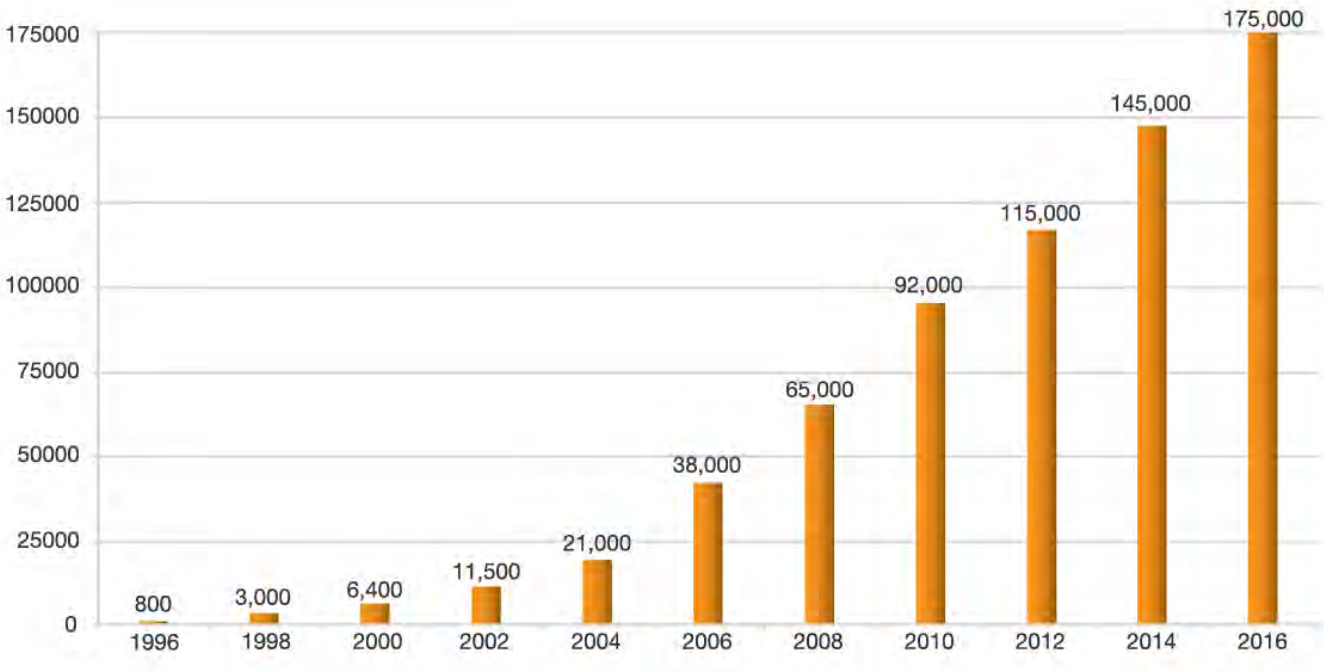
TCF Programme Highlights

Growth Pattern

The graphs below show how TCF has progressed over the years in terms of school units and student strength.



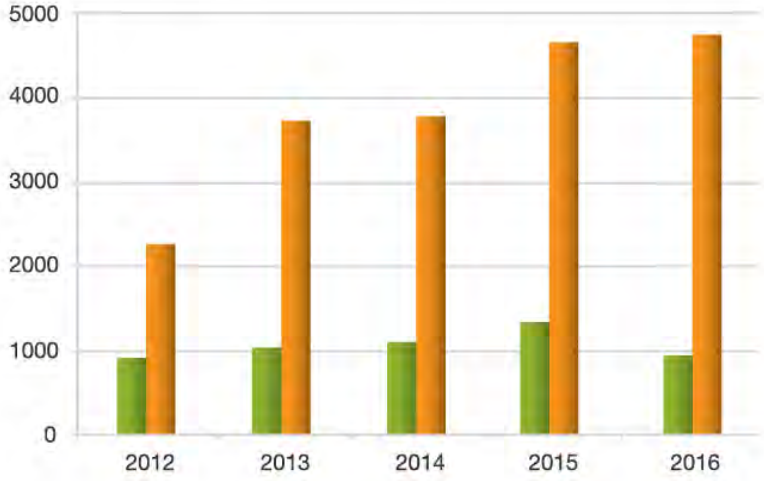
In 21 years, our school network has expanded at a compound annual growth rate (CAGR) of **30%**



Our student strength has grown at a compound annual growth rate (CAGR) of **29%**

Rahbar

TCF's mentorship programme aimed at the development of youth as responsible individuals and productive members of society.



	2012	2013	2014	2015	2016
Mentors	900	1046	1053	1062	999*
Mentees	2400	3790	3665	3925	4041*

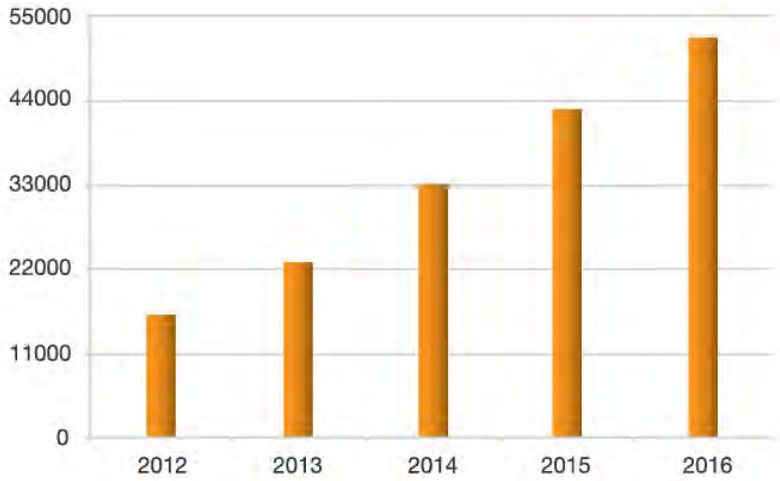
*A part of the number for the year 2016 is a projected figure based on previous trends.

22,584

students have been positively impacted through Rahbar since 2008

Aagahi

An adult literacy programme for women belonging to the rural areas and urban slums around TCF schools.



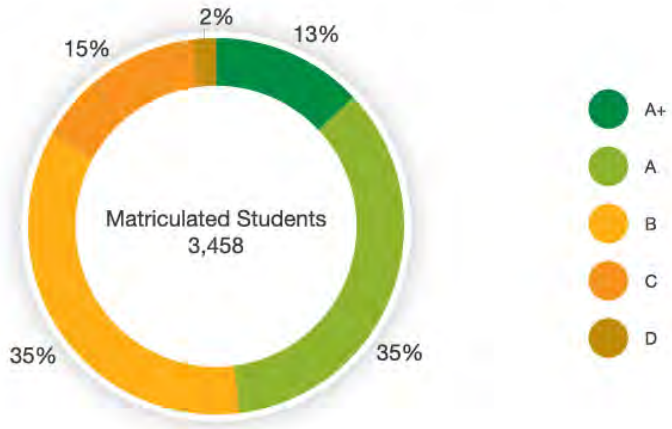
	2012	2013	2014	2015	2016
Learners	15,126	23,335	33,155	43,352	53,000*

*A part of the number for the year 2016 is a projected figure based on previous trends.

53,000

lives have been transformed through the Aagahi Programme

Grade Wise Breakup of Matriculating Students 2015-16



48% of our Matriculating students scored A+ or A grades this year!

Academic progression of alumni to date

15,966
Matriculates

10,650
Students progressed to Intermediate level*

1,500+
Students enrolled for Tertiary level programmes*

*These numbers are based on results of an internal survey and past enrolment trends. The number of students in tertiary education pertains to TCF's graduating batches upto the year 2014

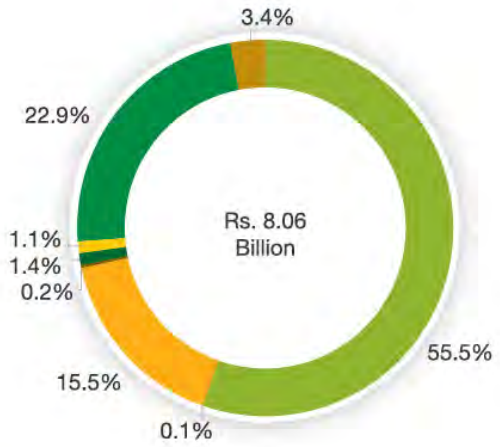
For TCF, the transition of Matriculates to Intermediate is **70%** versus a national average of **59%**

Source: NEMIS Pakistan Education Statistics 2014-15

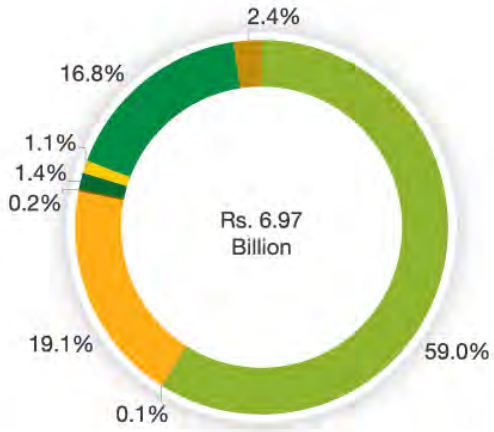
Financial Highlights

Graphical Presentation of Balance Sheet

Assets 2016

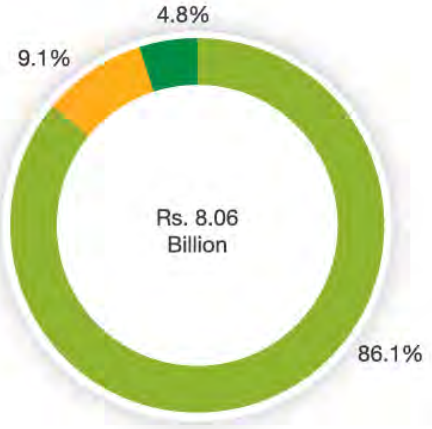


Assets 2015

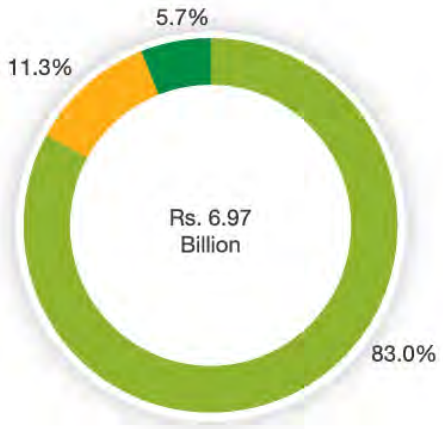


Property and Equipment
Intangible Assets
Long Term Investments
Long Term Deposits
Advances and Prepayments
Accrued Income and Other Receivables
Short Term Investments
Cash and Bank Balances

Funds and Liabilities 2016



Funds and Liabilities 2015



Non-current Liabilities
Current Liabilities
Funds

Graphical Presentation of Income and Expenditure Account

Income 2016



Income 2015

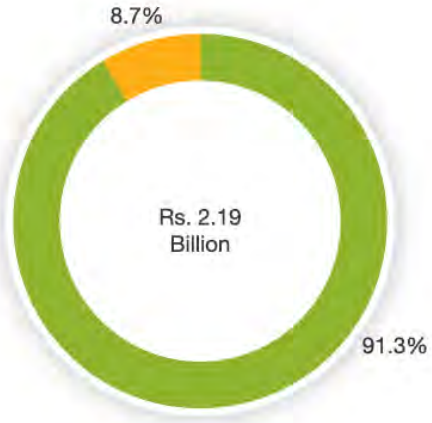


Donations | Income on Investments - Net | Gain on Disposal of Fixed Assets

Operating Expenditure 2016



Operating Expenditure 2015



Education Programme | Programme Administration

Receipts Pattern

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

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
561m	736m	945m	972m	1,100m	1,395m	1,682m	1,873m	2,321m	2,864m	3,399m

Financial Highlights

Six years financial and operating information at a glance (2011-2016)

Operating Results (Rupees in Million)	2016	2015	2014	2013	2012	2011
School Support Donation	**2,527.0**	2,089.5	1,641.9	1,318.2	1,120.4	900.5
Other Income	**36.0**	138.0	120.2	116.0	127.1	79.0
Education Programme Expenses	**2,324.9**	1,998.7	1,627.9	1,318.7	1,083.6	889.9
Administrative Overhead	**229.7**	189.8	177.8	133.7	106.3	90.0
Surplus / (Deficit) of Income over Expenditure for the Year	**8.4**	38.9	(43.6)	(18.2)	57.6	(0.5)
Financial Position (Rupees in Million)						
School Land and Building	**3,924.3**	3,581.8	3,152.3	2,801.3	2,553.9	2,289.3
Other Non-Current Assets	**1,817.9**	1,874.3	1,336.9	759.2	549.1	450.0
Current Assets	**2,319.0**	1,516.8	1,424.6	1,193.6	932.3	761.9
Total Assets	**8,061.2**	**6,972.9**	**5,913.8**	**4,754.1**	**4,035.4**	**3,501.2**
Capital Fund	**2.4**	2.2	2.2	2.1	1.5	1.5
General and Other Funds	**731.5**	785.7	808.2	861.1	803.2	775.0
Endowment Fund	**1,865.0**	1,369.9	972.9	356.4	184.2	132.8
Deferred Income	**5,074.3**	4,417.3	3,890.4	3,353.6	2,897.9	2,490.7
Current Liabilities	**388.1**	397.8	240.1	180.9	148.6	101.2
Total Funds and Liabilities	**8,061.2**	**6,972.9**	**5,913.8**	**4,754.1**	**4,035.4**	**3,501.2**
Expense Pattern						
Education Programme	**91.0%**	91.3%	90.2%	90.8%	91.1%	90.8%
Programme Administration	**9.0%**	8.7%	9.8%	9.2%	8.9%	9.2%
Key Financial Ratios (in Times)						
Current Ratio	**6.0**	3.8	5.9	6.6	6.3	7.5
Cash to Current Liabilities	**1.0**	0.4	0.6	1.2	1.0	1.7
Summary of Cash Flow Statatment (Rupees in Million)						
Cash and cash equivalents at beginning of the year	**760.5**	681.1	574.6	68.0	174.1	335.4
Cash Flows from Operating Activities	**(595.4)**	(457.4)	(319.0)	(201.8)	(96.9)	46.8
Cash Flows from Investing Activities	**(873.0)**	(1,083.3)	(1,175.9)	(264.7)	(737.2)	(928.2)
Cash Flows from Financing Activities	**1,849.8**	1,620.1	1,601.4	972.9	728.0	720.1
Increase / (Decrease) in Cash and Cash Equivalents	**381.4**	79.4	106.5	506.5	(106.1)	(161.3)
Cash and cash equivalents at end of the year	**1,141.9**	760.5	681.1	574.6	68.0	174.1
Other Data (Rupees in Million)						
Foreign Exchange Remittance (Pak Rupee Equivalent) for all Donations Received	**1,673.0**	1,668.0	1,695.0	1,079.3	962.0	851.0
Tax Deducted and Deposited into Government Treasury as Withholding Tax Agent	**82.7**	57.5	36.5	33.3	36.0	30.0

Architecture that Fits in!









Have you wondered why our campuses in Karachi look so different from those in Punjab? Or why we use wooden structures in Khyber Pakhtunkhwa and Azad Kashmir as opposed to elsewhere in the country?

These changes exist because we localise our school construction! Available resources, weather conditions and other needs vary from region to region, making it vital to develop our construction plans accordingly. For instance, in the earthquake prone regions of Azad Kashmir and Khyber Pakhtunkhwa, our schools are aluminum zinc coated wooden structures with cavity walls to withstand natural disasters. In rural Sindh, Punjab and Balochistan, the structures are characterised by exposed brick and sand, while pigmented plaster is used in urban Sindh to lower building maintenance.

The contractors and labourers involved in construction activities are drawn from the communities in which the schools are built. This customised approach lets us economise by utilising locally available resources and keeps the community engaged with TCF. Well-designed and aesthetically appealing, our school buildings truly stand out as landmarks in serene rural landscapes or squalid urban neighbourhoods, mostly marked by rudimentary structures.

Capacity Building for Quality Education

For the team managing the Education Department of TCF, the year 2015-16 was marked by a special focus on building institutional capability that can enable significant and consistent gains in student learning outcomes. This capability covers curriculum development, teacher training and evaluation.

A Steady Improvement in Learning Outcomes

The team is focused on achieving the following specific objectives at critical transition points along a student's academic journey in order to maximise impact:

- Foundational literacy and numeracy by Grade 2
- Content readiness of students for Middle school by Grade 5
- Student readiness for Board exams by Grade 9
- Post-Matriculation readiness for further education

2,500+ five-year olds were welcomed into our Nursery classes

In terms of the internationally accepted EGRA – Early Grade Reading Assessment tool, our sample of Grade 2 students achieved 56.2% in Urdu reading skills versus between 31-35% by the Government School System. In English, the EGRA for TCF was 40.8% versus 34.2% for the Government School System.

As part of the continuing effort of strengthening the academic foundations at an early stage, 86 in-school nurseries commenced operations this September and welcomed over 2,500+ toddlers into the TCF System!

Board results this year demonstrated substantial improvement in the percentage of students securing A and A+ grades in Grade 10. This percentage rose to 48% from 43% last year and 38% in 2013-14. The overall pass percentage for Grade 10 rose to 95% versus 91% last year.



While we recognise that there remains much room for further improvement in TCF students' academic outcomes, it is heartening to note that there are continuous gains against external as well as in internal performance benchmarks.

Zafar Ali Continues to Excel

Son of a truck driver and one of 10 siblings, Zafar Ali is TCF's first graduate to land on foreign shores to pursue a full-time college degree. Zafar was 13 when his family relocated to Karachi from Landi Kotal, his hometown in Pakistan's Federally Administered Tribal Areas (FATA). In 2013, he cleared his Matriculation with an A+ grade from TCF's Yusuf Khan Campus. Guided by an unwavering resolve, Zafar secured the prestigious United World Colleges (UWC) scholarship and completed his International Baccalaureate (IB) Programme at UWC in Mostar, Bosnia and Herzegovina.

'People can be heroes, despite their limiting circumstances. True happiness lies in service to others, and this is how I intend to live my life.', says Zafar. Today, he is enrolled in a four-year Political Science programme at the Lewis & Clark College in Oregon, USA.



Developing Content for Effective Learning

The Education Department continues to advance on its roadmap for developing and publishing textbooks, workbooks and the accompanying teacher guides, up to Grade 8. In the year under review, we have rolled out Mathematics 'Meri Riyazi' Books 2 and 3, Social Studies 'Hamari Dilkash Duniya' Book 8 (the series is now complete), Science 'Amli Science' Book 6, and English 'Learning English with the Iqbals (LEWTI)' for Nursery and Kindergarten.



'Learning English with the Iqbals' is based on a view of English as a language, not a 'subject'. There is an emphasis on language functionality and development of reading ability of English language textbooks as opposed to rules of grammar. The 'Amal and Zain' series introduced a reader in Class 1 while LEWTI begins with pictorial stories in Nursery and works its way up to stories with very limited text in KG. Additionally, the teacher guide has been developed to go further in enabling the KG teacher. Key sentence structures have been scripted and the number of activities included have been reduced so that teachers spend more time developing key skills in students rather than rushing through to 'finish the syllabus'.

TCF has identified five broad attributes, the 5Cs that we seek to develop in all our students. These are: Conceptual knowledge, Creative thinking, Confidence, Communication skills and Core values. In order to tighten the link between teaching methodology and dissemination of 5Cs to students, the teacher guides have been tagged with the 5Cs. We believe that this will keep the teachers focused on these overarching principles while delivering the academic content.

Enhancing Teacher Capabilities

TCF views its teachers as more than just classroom instructors. Our ideal teacher is:

- A respected domain expert
- An inspirational role model
- An instructional leader
- A facilitator of 21st century skills
- A custodian of TCF social values

The attainment of this ideal is a function of teacher motivation, school environment, performance recognition and a systematic training and development programme. The training process begins at the Pre-Service level for new teachers and principals, including 50 hours of orientation.

100 hours **of training is received by every teacher in the TCF System every year**

Every year, we conduct Principals' Academy - a 50 hour programme which emphasises a principal's role as an academic leader. To provide continuous skill development and content proficiency for our 10,100+ teachers, our annual, intensive, In-service training programme is conducted during the summer vacations. On average, a 100 hour training is received by every teacher in the TCF System, every year. We have already linked teacher competency, as determined by the Teacher Competency Tests, to their annual appraisal and performance review. Our annual internal Teacher Evaluation benchmark posted an average score of 75% in 2015-16 with 9,133 test takers versus an average score of 71% last year and 57% in 2013-14.



TCF College: A Bridge to Tertiary Level Education

TCF's first college in Karachi with a capacity of 400 students, commenced operations this year. The College is part of TCF's response to the significant challenges TCF alumni face after their Matriculation. With virtually no classes being conducted even at well-regarded government colleges in Karachi, most students at these institutions turn to tuitions for academic progress. For TCF alumni, however, the cost of tuitions (and the associated transportation costs) can be prohibitive, leading to a marked decline in academic achievement and future prospects.

TCF College has the capacity to accommodate **400 students**

The first batch of 200 students was inducted after a recruitment drive conducted across pre-selected TCF Schools in the city. The final group was selected after they cleared a rigorous entrance examination and assessment centre.
The new venture seeks to help students achieve competitive academic results in their Intermediate examinations and to perform well in their university entrance tests. Students enrolled at the College benefit from an intensive 2-year programme with a focus on both academic skills and personality development. A dedicated student development team at the College has designed programmes for personality development, confidence building and social skills. It also conducts guest speaker sessions to educate and inspire through personal narratives.





Reforming Education in Government Schools

Earlier this year, TCF embarked on a Government Schools Programme (GSP), a Public-Private Partnership model which assumes management of government schools across the country in order to improve enrolment as well as the quality of education outcomes.

A baseline study conducted to aid programme delivery revealed stark shortcomings in government school operations. It was observed that a lack of competent teachers coupled with rampant absenteeism contributed to poor learning outcomes and dropouts at the upper primary stage. The Foundation is now undertaking course correction activities across the 87 schools acquired as part of the GSP.

To deliver quality education, a new cohort of competent teachers and principals has been inducted, who went through a comprehensive training programme aimed at enhancing their pedagogical skills. These teachers would have access to a wide range of internally developed TCF text books which they would be able to use as reference material to aid instruction. Any shortcomings in academic standing, due to previous lapses in service delivery, would be addressed through remedial classes designed to bring underperforming students up the curve.

TCF is now utilising its experience to address current challenges confronted by the government schools by improving the quality of education imparted, and consequently, the academic competence of students.

It has been more than a decade since the first batch of students graduated from TCF. The total number of our graduates stands at 15,966 today. The next decade will see a substantive increase not just in the number of TCF graduates but also in their academic standing and their capacity to serve as agents of positive change, in line with the Foundation's vision.



141 Schools for Peace

In the wake of the Peshawar school attack on 16th December 2014, the management of TCF, in association with 141schools.org resolved to honour the sacrifices of the 141 brave students and faculty members who lost their lives in the tragedy by building 141 schools across Pakistan.

Donors were given the option to either build an entire campus or contribute towards a pool of funds which was to be utilised for the construction and operational support of '141 Schools for Peace Campus' in Khyber Pakhtunkhwa.

As of 1st September 2016, 35 individual donors have pledged to construct 41 TCF Schools under the initiative and more than 1000 donors worldwide have committed their support for the '141 Schools for Peace' campus. We are pleased to announce that this campus which will commence operations in April 2017.

TCF remains steadfast in its efforts to eradicate ignorance and illiteracy across Pakistan.

141 SCHOOLS FOR PEACE

Striving for Student Success and Community Empowerment

In addition to the core offering focused on the provision of quality education, TCF is spearheading several other programmes aiming to enhance the sustainability of impact through community empowerment and alumni engagement. We remain convinced that a truly informed community, aware of its rights, duties and potential is best suited to value and reap the full benefits of quality education.

Intermediate Enrolment Drive

An Intermediate (Grade 11-12) qualification is a prerequisite for further education as well as substantial career opportunities.

The Intermediate enrolment drive engaged **3,600 students**



With this in mind, TCF initiated an Intermediate Enrolment Drive this year in order to engage with the batch of 2016 (approximately 3,600 students) across Pakistan and guide them through all aspects of the Intermediate admission process. TCF reached out to all TCF Secondary Schools within and outside the main cities. Currently, approximately 70% of TCF Matriculates go on to pursue their Intermediate; the enrolment drive is an effort to increase this percentage by facilitating students and addressing their concerns regarding their academic roadmap.

Alumni Development Programme (ADP)

TCF is cognisant of the fact that a successful transition towards tertiary education is directly dependent on performance in Intermediate exams.

The Alumni Development Programme (ADP), initiated with the help of TCF alumni in 2014, is designed to enable alumni to make up for lost ground academically during their Intermediate years and assist them in securing admission into top-tier universities. The programme which is administered over three levels, catering to students at various stages of their academic journey, was scaled up this year across Karachi, Lahore and Islamabad.

54 students were placed into top-ranked universities through ADP

An important aspect of ADP is its alignment with institutions offering highly regarded tertiary degree programmes. This year, TCF signed Memoranda of Understanding (MoU) with Institute of Business Administration (IBA) and Institute of Business Management (IoBM), securing their commitment to provide need-based scholarships to TCF alumni who clear their entrance test successfully. Efforts are underway to forge similar partnerships with other universities across Pakistan. In 2016, a batch of 80 students participated in the programme, out of which, 54 were successfully placed into various well-ranked universities of the country.



Kindling the Spirit of Volunteering

Rahbar is TCF's flagship volunteer programme designed to benefit TCF students of Grade 8 and 9. Launched in 2008, it seeks to mobilise a cross section of society, to mentor students and inspire them to craft their own destiny.

This year, some key components were incorporated to further enhance the programme. The Rahbar Activity Book and hand-made projects were introduced to facilitate student engagement. Concepts pertaining to drip irrigation, 'gullak' (piggy bank), and literacy club were introduced to inculcate life skills and to encourage the idea of financial management among the students.

TCF Summer Camp, initiated in 2008, is a volunteer programme designed for TCF primary school students. Structured around four modules (English, Theatre, Arts and Crafts and Sports), it aims to engage and educate the students by creating a fun learning environment. This year's modules were designed in collaboration with the Education Department to make it more focused in terms of outcomes. To date, more than 27,000 TCF students have gone through the programme with the participation of over 3,500 volunteers.



Clean Drinking Water Project

In 2015-16, TCF provided clean drinking water to over 7,000 people on a daily basis, through its water filtration plants. With the Community Development Unit (CDU) focusing its efforts on streamlining the running of water plants, an additional four water plants were made operational, taking the number of active plants to 15.

To increase capacity utilisation of water plants, a research study was carried out in collaboration with students from the LUMS Executive MBA Programme. The research outcomes highlighted the need for better awareness and a more effective distribution mechanism. Consequently, a distribution pilot was carried out in Khushab, providing clean drinking water to communities right at their doorstep. The pilot was a clear success, leading to a significant increase in number of beneficiaries. The learnings from this pilot will now be applied to other plants in order to further improve the capacity utilisation.

Aagahi Adult Literacy Programme

The Aagahi Adult Literacy (Urdu reading, writing and Math) Programme entered its 11th year, having taught over 53,000 women how to read and write, to date. During 2015-16 over 650 literacy centres conducted classes, and more than 10,200 learners benefited through the programme.

The Community Development Unit (CDU) continued to mainstream the Aagahi programme into regular TCF Operations. Aagahi was incorporated into the existing School Management System (SMS), enabling the field team to record attendance and programmatic data in real time. This allows the organisation to respond to any issues and take course correction measures in a timely manner. The Aagahi Monitor pilot was also rolled out across all regions; the monitor is essentially a community member who oversees the proceedings of the programme whenever sessions are held off TCF campuses. In doing so, they add a further layer of checks and balances, thereby ensuring transparency and accountability.

Capacity building of field teams was conducted and training packs were made for monitors and teachers. Additionally, training of various management tiers was conducted so that all the relevant stakeholders are made aware of programme outcomes and responsibilities relevant to their roles.

A Health and Hygiene module designed by the National Rural Support Programme-Institute of Rural Management (NRSP-IRM), was also introduced into the curriculum this year.



Vocational Training Programme

2015-16 was an exciting year for TCF in the vocational training space. Two pilot projects were run across the TCF Network providing technical skills to over 540 women.
In Karachi, the vocational training programme was run in four schools, over a period of four months, in collaboration with the Memon Industrial and Technical Institute (MITI). Participating women from the community were taken through training in cutting, sewing and embroidery as well as a basic beautician course at TCF School premises.

540 women were imparted technical skills

At 8 sites across Khushab, Mansehra and Muzaffarabad, we partnered with Kaus-e-Kazah Organisation (KKO) to help establish vocational training centres. KKO was responsible for curriculum design and training while TCF supervised programme operations, providing insight into their effective running. The Training of Trainers (ToT) programme ran for 6 months providing cutting, sewing, embroidery, and toy making skills training to girls and women from the community.

In 2016-17, CDU will focus on developing avenues for job creation for the graduates trained through CDU-run vocational centres, as well as engaging with graduates from the TCF's Matric Tech Programme in a phased approach. Production centers will be set up to produce materials on order for the market. A professional business development team will be responsible for seeking orders from institutions, retail outlets and boutiques.



Mushtaq Chhapra to Receive Sitara-e-Imtiaz

Mr. Mushtaq Chhapra, Co-Founder and Director of TCF will be receiving the Sitara-e-Imtiaz (Star of Excellence) by Mr. Mamnoon Hussain, President of Pakistan at an official ceremony to be held on 23rd March, 2017. Sitara-e-Imtiaz is one of the highest civil honors of the country.

A believer in the transformative power of education in solving Pakistan's socio-economic challenges, Mr. Chhapra and five other friends founded TCF in 1995, setting an ambitious goal of establishing 1,000 school units across Pakistan. While many questioned the wisdom of investing their energy and resources in such a difficult undertaking at the time, Mr. Chhapra's answer was: **'We need a little bit of insanity to do great things.'**



Coming Together to Make it All Possible

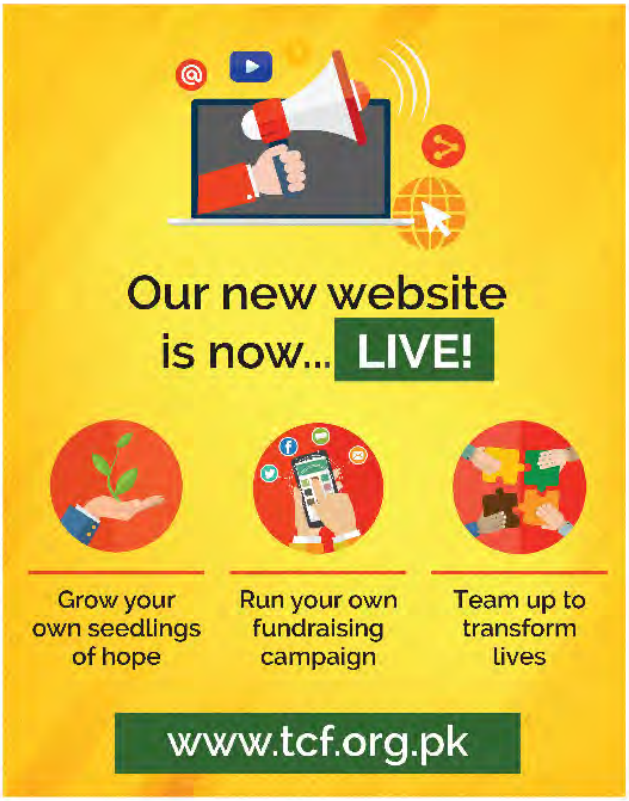
The journey from 5 to 1,202 school units in just over two decades would not have been possible without the immense support we continue to receive from our network of donors and supporters, in Pakistan and beyond. We would like to express our deep gratitude for the invaluable investment of time, commitment and funds which have enabled TCF to reach, educate and empower less-privileged children across Pakistan.

The Baghbaan Programme: Nurturing Young Seedlings

This year, TCF launched 'Baghbaan', its recurring giving programme designed to rally support from a cross section of society.'Baghbaan' is the Urdu word for gardener and refers to someone who nurtures and cares for young seedlings, watches them flourish and takes pride in their development.

We believe that the children of Pakistan are the seedlings we need to invest in through the provision of quality education. The launch was supported by a digital campaign leveraging social media to reach out to a wide audience. It emphasised that it only takes Rs. 1,250 per month to transform a young life. People were encouraged to record and share videos of themselves, pledging to contribute towards the education of children.





Revamping Our Online Presence

This year, TCF launched a completely revamped website, incorporating some fundamental changes in design and content. The website presents TCF's remarkable journey so far, the scope and scale of our work today and a glimpse into our 1,202 school units. Apart from providing information on TCF itself, the site shares some of the amazing stories of resilience, service and enterprise being written and lived by our students, alumni, teachers and supporters every day.

The new website offers donors the ease of making recurring monthly or yearly contributions in line with their cash flows. Additionally, leveraging the incredible global reach and connectivity of the internet and social media, it offers a powerful peer-to-peer fundraising platform.

Individuals can initiate their own creative fundraising campaign or team up with other like-minded people, to mobilise resources for TCF programmes ranging from funding a child's education, to supporting classrooms or entire schools.

‘Don’t Look Away!’

Ramadan is a time for introspection, charity and compassion for millions of Muslims across the globe. Every year, TCF’s Zakat campaign is aligned with the month of Ramadan when Muslims the world over make a conscious effort to contribute towards the well-being of the less-privileged.

Centred on the words ‘Don’t Look Away’, the campaign urged Pakistanis to recognise the plight of street children and resolve to break the cycle of poverty and illiteracy by helping TCF bring these children into classrooms. The broad based communication drive utilised various media outlets (TV, direct mail, print and digital) and PR activities to connect with diverse audiences in an integrated manner.

We, at TCF, are deeply grateful for the immense support we have received in the design and execution of the campaign from our partners. We would like to thank Ayesha Jalil and her team at Y-Productions who created the campaign advertisement on a pro bono basis, Shoaib Qureshy at Bulls Eye and Shah Ahmed Ata at Retail Media who helped us in taking the campaign above the line. We are also grateful to the management of Bank Alfalah, Dubai Islamic Bank, Faysal Bank, Standard Chartered Bank, Liberty Books and Unilever Pakistan for supporting us in reaching out to their customer base and our media partners without whose help the successful rollout of the campaign would not have been possible.

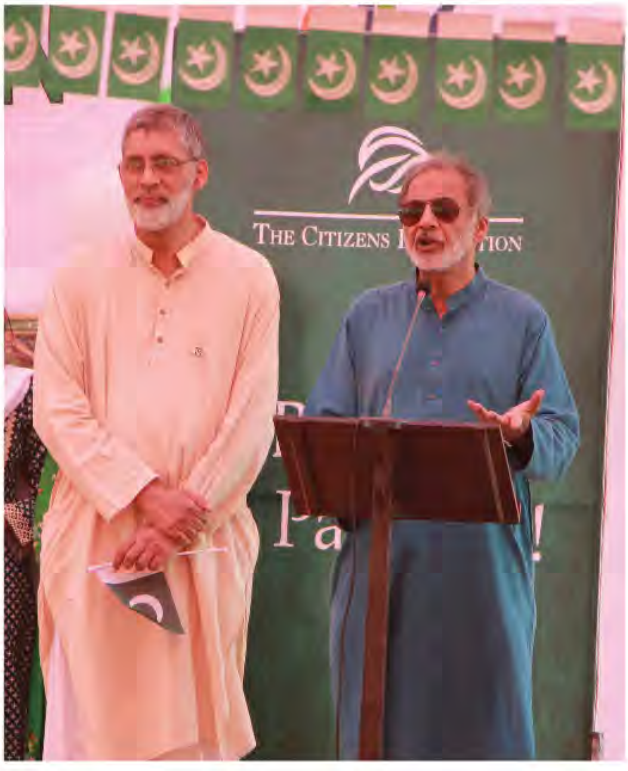


Celebrating Independence - Believing in Pakistan

TCF commemorated the nation’s Independence Day by conducting open house events at schools in Karachi, Lahore and Islamabad. Attended by donors and supporters, the events were centred on the theme of ‘Believing in Pakistan’, with the underlying message of supporting the cause of education to ensure a better future for the nation.

The guests witnessed active involvement from TCF students in all the participating schools. It was a delight to see the patriotic fervour of students displayed through immaculately conducted performances, skits and tableaux. A flurry of national flags dotted the foreground, with guests cheering and applauding enthusiastically to encourage the young performers. Most of the attendees were dressed in green and white attire which added to the festive ambience.

Speaking at the occasion, Mr. Syed Asaad Ayub Ahmad, CEO of The Citizens Foundation, highlighted the importance of education and encouraged the students to keep striving in the pursuit of knowledge. He appealed to the audience to also play their role in building a better future for our young generation.



TCF at the World Economic Forum (WEF)

Earlier this year, Mr. Mushtaq Chhapra, Co-Founder and Director of TCF, attended the 46th Annual Meeting of the World Economic Forum (WEF) in Davos-Klosters, Switzerland. TCF was the only non-profit organisation representing Pakistan at this year's conference.



Speaking to media representatives, Mr. Chhapra reiterated TCF's commitment to provide quality education in some of the most vulnerable and impoverished communities across Pakistan. He informed the audience that equal access to quality education is essential for ensuring a stable Pakistan, and a free and fair world. Over 40 heads of state and government, as well as 2,500 leaders from business and society converged at the WEF this year.

TCF - A Finalist for the OECD - DAC Prize

TCF was selected as one of the ten finalists for the OECD Development Assistance Committee (DAC) Prize 2015. The DAC Prize for Taking Development Innovation to Scale recognises organisations that innovate and adopt a systematic and strategic approach to address development challenges by taking it to scale.

The prize ceremony took place at the OECD Headquarters in Paris in March 2016. TCF was represented by the members of its Italian Chapter, Laura Notaro, Head of Communications and Sara Del Favero, Member of the Board.

Julius O. Akinyemi, a jury member, observed:
'A nurtured environment brings the best out of all of us regardless of gender, location or creed. When this is combined with passion to improve humanity, it makes the seemingly impossible tasks possible. To attain the level of gender equalisation in both teachers and students in Pakistan that The Citizens Foundation has attained is truly remarkable. Congratulations!'



Hamna Runs the NYC Marathon for TCF

A young writer, athlete and a proud Pakistani, Hamna Zubair took part in the 26 miles New York City Marathon this year to help TCF educate the children of Pakistan.

She led a digital fundraising campaign on the Indiegogo crowd-funding platform where she appealed for help in raising money for a TCF school, enabling almost 200 children to continue their education for a year. She successfully funded the TCF School, JBL Campus in Bin Qasim Town, Karachi and dedicated this effort to the memory of her father, late Mr. Zarrar Rahim Zubair.



Marketing Alliances

TCF forged alliances with Habib Bank Ltd. (HBL), ABL Asset Management and TCS Yayvo during the year. An MoU was signed between TCF and ABL Asset Management through which the latter utilised its network to raise and manage donations for TCF. Similarly, HBL initiated a fundraising campaign to celebrate its 75th Anniversary. It sought contributions for TCF across its network nationwide and matched the donation amount raised by its employees. The campaign witnessed an enthusiastic participation at all levels.

TCS Yayvo, an online shopping platform, set up an e-shop for TCF where their customers could select from any of the TCF's donation products and make their contribution conveniently online.



Supporters of The Citizens Foundation (STCF)

As a pioneering volunteer group in TCF's movement to educate, STCF has always endeavoured to bring diverse and engaging fundraising events for the discerning audiences of urban Pakistan. This year too, our STCF volunteers demonstrated their untiring commitment to mobilise support.



The year kicked off with 'Obhartay Sitaray,' an event which invited the schools of Karachi to participate in a singing and fundraising competition. It provided a platform for the students to showcase their singing talent along with raising funds for TCF. Obhartay Sitary brought together around 50,000 young supporters from 120+ schools across the city. Now in its fifth year, the event continues to grow in Karachi and is making its way to Lahore next year.



The Twelfth TCF Golf Tournament held at the Karachi Golf Club was next in line. Meant to raise funds for the organisation, 315 golfers participated in the tournament as part of 40 teams as well as individually. It was attended by accomplished business people, corporate heads, socialites and other supporters of TCF's commitment to quality education for all.

Two fundraising musical evenings by the name of 'Husn-e-Kalaam' were hosted in Karachi and Lahore. Abida Parveen, one of the finest Sufi vocalists of the modern era performed at the Karachi event while the veteran, Tina Sani mesmerised the audience in Lahore.

The Young Education Supporters (YES), our newest support group was formed this year with the guidance and active support of STCF. It successfully organised 'Dhoondo Karachi', a city wide scavenger hunt playing on Karachi's landmarks and points of interest. Almost 400+ young people in 106 teams participated in this exciting event that raised funds in a fun and engaging way. This was followed by 'Khelo Karachi', a sporting event that welcomed around 450 people to play futsal, volleyball and throwball in teams. Both of these events raised funds for general education and operational support of a TCF school for a year.





TCF - USA

The year for TCF-USA started with a change of leadership as long time TCF supporter and volunteer, Mr. Arif Gafur took over as CEO from Mr. Danial Noorani. Arif brings with him a very strong background in management and leadership from his career at Shell.

Shimmi Kidwai, TCF-USA Washington DC Chapter leader was invited to a White House event hosted by first lady Michelle Obama. The event was for 'Let Girls Learn', an initiative launched by the President and First Lady to help support 62 million girls worldwide who are out of school. The successful 2016 Washington DC Gala was also based on the same theme and welcomed Krishanti Vignarajah as the keynote speaker. Ms. Vignarajah serves as Policy Director for First Lady Michelle Obama and leads the 'Let Girls Learn' initiative.



Twenty-one fundraising galas were held in the first 6 months of 2016 which was a new record for TCF-USA. Both existing and new chapters collected a record amount of donations and expanded the movement to include a large number of new donors and supporters.

The year was capped with TCF-USA winning the first prize in the 2016 Skoll Social Entrepreneurship Challenge. Every year, the Skoll Foundation invites its awardee organizations to participate in this online fundraising challenge and supports them in their most pressing projects. Through this challenge, TCF-USA rallied its supporters to help the TCF Government Schools Programme – an impassioned initiative to take the light of education to more children in Pakistan.



TCF - Canada

2015 marked the most successful year for our Canadian chapter in its 11 year history. TCF Canada's Annual Gala and Fundraiser continues to be one of the premier events for the Pakistani diaspora in the Greater Toronto Area (GTA), with the latest episode in April 2016 being no exception. This year's event was themed, Strengthen a Nation - Empower Women. It featured an all-female lineup of speakers, hosts and notable dignitaries, Dr. Fariha Khan, recipient of Muslim Awards of Excellence 'Woman of the Year Award' hosted the evening while Farah Mohamed, CEO of G(irls)20 was the keynote speaker. The event was made possible by the generous support of 36 corporate sponsors and was attended by more than 1,000 guests.

The Vancouver, Montreal and Regina Chapters successfully hosted their gala events across the country. Adnan Zaidi, one of TCF Canada's spirited volunteers, launched the Chapter's first official support group in Saskatoon and conducted the group's first fundraising event. The funds raised through his efforts were enough to finance the operating expenses of a school unit for a year.

TCF-Canada also continued to enjoy good support for its annual 'Drive to See them Thrive' fundraising campaign. Now in its 4th year, the 30-day online campaign saw the creation of 23 dedicated corporate and personal teams, and was able to successfully raise substantial funds through the help of 467 generous donors.



TCF - UAE

The UAE Chapter continued in its endeavour to promote the cause of TCF within the local community and garner support for the deserving students of TCF. The Chapter participated in the 'Walk for Education' organised by Dubai Cares in March 2016. This event is organised every year to highlight the plight of millions of children in developing countries who walk an average of three kilometres every day to attend school. TCF supporters accompanied by their families took part in the walk to express their support.

TCF-UAE also held its annual Supporters Conference and Dinner in May 2016. Over 500 TCF supporters attended the event where they were apprised of the current initiatives undertaken by TCF, particularly the recent adoption of government schools. A few ardent supporters shared their experiences and views about TCF with those present. The conference concluded with a vote of thanks to appreciate the continued patronage by supporters in the UAE.



TCF - UK

TCF's long-standing UK chapter continues to go from strength to strength in its 15th year of raising funds and awareness in the UK. The Chapter played host to a number of successful and engaging events this year. At the start of this academic year, TCF UK's 63rd funded school unit opened its doors to the deserving children, marking a milestone in our fundraising work.

In October 2015, TCF-UK held a highly successful Quiz Night in the heart of London for new and existing supporters. At the start of 2016, the chapter hosted a Book Reading event with freelance journalist, Omar Shahid, discussing his latest work, 'The Spinner's Tale', which was chaired by BBC correspondent, Owen Bennett-Jones. TCF-UK also exhibited at the Muslim Lifestyle Show in Olympia and welcomed many new supporters to learn more about TCF. To begin the month of fasting, TCF-UK held its Gala at an exclusive historic venue, One Whitehall Place in Embankment. The Ramadan dinner attracted over 180 guests, many of whom were new supporters. The event proved to be a successful one and provided TCF-UK with a platform to present to a wider audience.



Italian Friends of The Citizens Foundation

The Italian Friends of TCF (IFTCF) began an eventful year by participating in EXPO Milan 2015 as part of the international Women for Expo (WE) project focusing on female empowerment. An entire wall of the Expo area was dedicated to the TCF project which attracted a lot of visitors. The exhibition was followed by the Annual Gala held at the historic Diocesano Museum of Milan. Exclusive work of Maurizio Galimberti, a well-known Polaroid portrait photographer was exhibited for the supporters to generously donate to a raffle and win seven of Galimberti's works.



The Chapter's Mediterranean cookbook, 'Tried and True Recipes' was also launched at Expo Milan and enjoyed a sold-out reception. This fun project brought 72 Italian supporters together, sharing their favourite dishes with over 1,000 donors who bought the book.



Other fundraising activities focused on promoting the rich heritage of Pakistan. Pakistani crafts were sold at the two editions of Milan's Floralia craft market in Milan and Turin. Various presentations and information sessions were also conducted at schools and universities and for the entrepreneurs representing Milan's American Business Group.

TCF - Australia

Having initiated operations in 2013, TCF-Australia is a relatively young chapter. It went through major organisational changes last year as the Chapter's co-founders Danial and Meesha Mausoof moved overseas. Sanam Thariani, now heads the team of TCF volunteers in Sydney and is supported by Asima Baig Ali Khan, Aila Khan and Saliha Wazirzada , who are all working relentlessly for furthering the cause of education for the less-privileged children of Pakistan.





The Chapter focused on planning and conducting various awareness and fundraising activities to engage with both the Pakistani diaspora and Australian audiences during the year. It conducted a 'Chocolate Drive' to achieve fundraising success. Local school students went door knocking in neighbourhoods to raise funds and awareness for TCF. This was followed by a 'Movie Night' which turned out to be a fantastic friends and family event. It provided the team the opportunity to interact with new and existing donors and garner valuable support for the cause. This was followed by their annual Ramadan Zakat drive, held at local mosques and religious centres. All these efforts paid off as the Chapter met its target to support TCF's Muhammad Idrees Campus in Karachi.

The team is now getting ready to host its annual fundraiser, a musical night 'Sur Aur Saaz', to be held in November this year.

TCF - Switzerland

This year, TCF-Switzerland focused its fundraising efforts towards continuing its support for the Haroon Tayeb Chamdia Campus in Gadani, Balochistan and to finance construction of a new school under the '141 Schools for Peace' initiative. The Pakistani community in Geneva geared up their efforts to improve awareness of the TCF Programme. Khadija Zaidi, a young Pakistani student at College de Leman – International School initiated a number of small fundraising activities and made TCF presentations at her school events.



The International School of Geneva also invited the Chapter to setup a stall on its annual day.This activity was facilitated by a Pakistani member of the school's parent-teacher association.

Habib Bank AG Zurich hosted an event to garner support for TCF in Zurich. The President of the bank Mr. Mohammad H. Habib invited around 50 high net worth individuals including Dr. Aman Rashid, Pakistan's Ambassador to Switzerland. TCF's Co-founder and Director, Mr. Mushtaq Chhapra led the audience through a formal presentation and appealed for funds.

TCF - Norway

TCF-Norway held several events throughout the year, the most prominent one being the TCF Gala. The Gala attracted people from different walks of life, all of them interested in supporting education in Pakistan. The programme was attended by Ms. Riffat Masood, Ambassador of Pakistan to Norway, who was joined by other guests and notable speakers. Ms. Laila Bokhari, a prominent political figure in Norway, gave an account of her new book 'My Father's Heritage'. She spoke about her father's desire of educating and empowering girls in Pakistan.

This audacious dream to transform individuals and societies through education would have remained just that, without the unrelenting support of our global network of volunteers, donors and well-wishers. TCF would like to thank, once again, each and every individual who has helped us turn our dream to educate and empower the children of Pakistan into a global movement for change.




Preparation Of Standard Solu



Taking Ownership and Reinforcing Good Governance

Profiles of the Board of Directors



Adnan Asdar

Mr. Adnan Asdar is a co-founder of Multinet Pakistan (Pvt.) Ltd. He is currently involved with Karachi Relief Trust as a Trustee. Mr. Asdar also serves on the board of The Hunar Foundation and Progressive Education Network and is a General Body Member of The Indus Hospital.

Ahsan M. Saleem

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





Ateed Riaz

A Founding member of TCF's Board of Directors, Mr. Ateed Riaz currently serves as the Chairman of the Board. He also served as Chief Executive Officer of TCF (in honorary capacity) from July 2002 till March 2005. Mr. Riaz manages the operations of the Imrooz Association of Companies which includes First Imrooz Modaraba, Tarseel Private Limited and Atherton Imrooz Company.

Bushra Afzal

Ms. Afzal has been associated with TCF as a volunteer since its inception. She has served as a Treasurer and Vice-Chairperson of the Supporters of TCF (STCF), a passionate group of volunteers spearheading fundraising efforts for the organisation. She has played a pivotal role in the growth and success of the group over the past 21 years.





Lt. Gen. (Retd.) Sabeeh Qamar uz Zaman

Lt. Gen. (Retd.) Sabeeh Qamar uz Zaman has been 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 also awarded Hilal-e-Imtiaz and Sitara-e-Basalat for distinguished service in the Pakistan Army. He is Chairman and CEO of Quality Schools Foundation.

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 the Netherlands. Mr. Zulqarnain was the CEO of FIEDMC, formed to develop Industrial parks and infrastructure. He also presides over Interloop Welfare Trust which is engaged in numerous philanthropic activities in the country.





Mushtaq K. Chhapra

A Founding Member of TCF's Board of Directors, Mr. Mushtaq Chhapra has played a key role in nurturing a number of prominent non-profit organisations. He serves on the boards of Patients' Aid Foundation and The Kidney Centre as well. In recognition of his eminent service to society, the Government of Pakistan has conferred upon him the Sitara-e-Imtiaz, one of Pakistan's highest civil honours.

Rashid Abdulla



A Founding Member and first Chairman of the Board of Directors of TCF, Mr. Rashid Abdulla is a leading businessman and a philanthropist at heart. He serves as Director on the boards of several companies associated with the IBL Group including The Searle Company Limited, International Brands Limited and IBL HealthCare Limited.



Saima Amin Khawaja

Ms. Saima Amin Khawaja, a practicing lawyer, has 18 years of professional experience as a legal consultant and Advocate of the High Court. She currently serves as a partner at Progressive Advocates and Legal Consultants. Ms. Khawaja has been a dedicated TCF volunteer since 1998. She is also a member of TCF's Regional Advisory Board (RAB) based in Punjab.

Shahab Haider



Mr. Shahab Haider has been associated with TCF for the past 17 years. During this time, he has served as the CEO of the UAE Chapter as well. He is the Managing Partner of the Sajjad Haider Group of Professional Firms in Dubai and a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the EMEA Board of NEXIA International, the 10th largest worldwide network of independent accounting and consulting firms.



Shahid Abdulla

Mr. Shahid Abdullah is the principal architect and CEO of Arshad Shahid Abdulla (Pvt) Ltd. He has been involved with a number of social projects in Pakistan and is amongst the founders of Indus Valley School of Art and Architecture, The Hunar Foundation and The Kidney Center.

Syed Asaad Ayub Ahmad



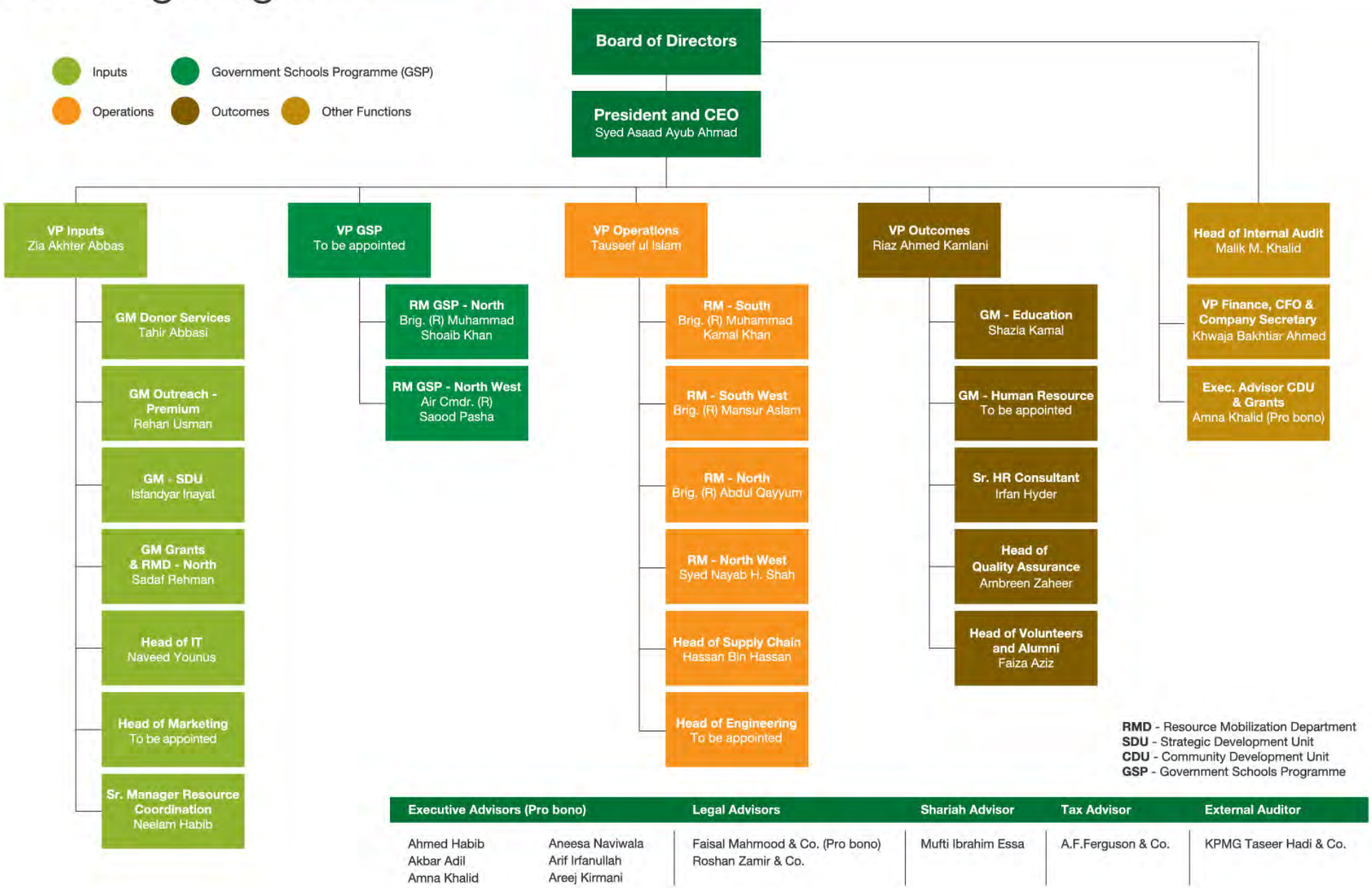
Mr. Syed Asaad Ayub Ahmad is the President and Chief Executive Officer of TCF and a member of its Board of Directors. Prior to joining TCF in January 2009, Mr. Ahmad held senior management positions at Castrol, British Petroleum, Exxon Mobil and Shell. He holds an MBA degree from the University of Texas at Austin and a Bachelors degree in Civil Engineering from NED University of Engineering and Technology, Karachi.



Tariq Raza Hussain

Mr. Tariq Raza Hussain has 25 years of experience in the financial services sector, with a specialization in mergers and acquisitions. He is currently heading 'European Mergers and Acquisitions' for an international investment bank in the UK. Tariq has been involved with TCF's work since 2000, when he helped set up the UK registered affiliate of TCF, TCF-UK as a registered charity.

TCF Organogram



RMD - Resource Mobilization Department
SDU - Strategic Development Unit
CDU - Community Development Unit
GSP - Government Schools Programme

Executive Advisors (Pro bono)		Legal Advisors	Shariah Advisor	Tax Advisor	External Auditor
Ahmed Habib Akbar Adil Amna Khalid	Aneesa Naviwala Arif Irfanullah Areej Kirmani	Faisal Mahmood & Co. (Pro bono) Roshan Zamir & Co.	Mufti Ibrahim Essa	A.F.Ferguson & Co.	KPMG Taseer Hadi & Co.

TCF Management



Syed Asaad Ayub Ahmad | President & CEO
Khwaja Bakhtiar Ahmed | VP Finance, CFO & Company Secretary
Riaz Ahmed Kamlani | Vice President - Outcomes
Tauseef ul Islam | Vice President - Operations
Zia Akhter Abbas | Vice President - Inputs

Isfandyar Inayat | General Manager - Strategic Development Unit
Rehan Usman | General Manager Outreach - Premium
Shah Muhammad Tahir Abbasi | General Manager - Donor Services
Sadaf Rehman | General Manager Grants & RMD North
Shazia Kamal | General Manager - Education

Amna Khalid | Executive Advisor Grants & CDU
Irfan Hyder | Senior Human Resource Consultant
Brig (R) Muhammad Kamal Khan | Regional Manager - South
Brig (R) Mansur Aslam | Regional Manager - South West
Brig (R) Abdul Qayyum | Regional Manager - North

Syed Nayab H. Shah | Regional Manager - North West
Brig (R) Muhammad Shoaib Khan | Regional Manager - GSP North
Air Cmdr (R) Saood Pasha | Regional Manager - GSP North West
Ambreen Zaheer | Head of Quality Assurance
Faiza Aziz | Head of Volunteers & Alumni

Hassan Bin Hassan | Head of Supply Chain
Malik Mohammad Khalid | Head of Internal Audit
Naveed Younus | Head of Information Technology
Rahila Fatima Shakil | Head of Strategic Development Unit
Neelam Habib | Senior Manager Resource Coordination

Board of Directors and its Committees



Board of Directors

TCF's Board consists of thirteen Directors including the CEO. The Board is headed by the Chairman elected from amongst the directors who meet regularly to provide guidance and support to the organisation. Six meetings of the Board of Directors were held during the financial year ended on 30 June 2016. The attendance of the meeting of Board of Directors is presented in the Directors' report included in the annual report.

Statutory Committees

Audit Committee

Terms of Reference:

The purpose of the Audit Committee is to assist the Board in fulfilling its financial reporting responsibilities and for overseeing that there is a sound system of internal control and audit process. The terms of reference (TORs) of the Committee includes:

- Monitoring TCF's compliance with applicable regulations and laws.
- Recommend to the Board, the appointment of external auditors, their removal, audit fee, and the provisions by the external auditors of any service to TCF in addition to auditing of its financial statements.
- Review quarterly, half yearly and annual financial statements of TCF prior to their approval by the Board of Directors focusing on the following areas:

  i. Major judgmental area
  ii. Significant adjustments resulting from the audit
  iii. The going concern assumption
  iv. Any changes in accounting policies and practices
  v. Compliance with applicable accounting standards

vi. Compliance with listing regulations and other statutory and regulatory requirements, and
vii. Significant related party transactions

- Facilitate the external audit and discussion with external auditors of major observations arising from interim and final audits and any matters that the auditors may wish to highlight.
- Review the scope and extent of internal audit and ensure that the internal audit function has adequate resources and is appropriately placed within TCF.
- Consider major findings of internal investigations (fraud, corruption, abuse of power) and management's response there to and submit its own views/recommendations to the Board when necessary.
- Ascertain that the internal control systems including financial, operational control, accounting systems and reporting structures are adequate and effective.
- Determine compliance with relevant statutory requirements.
- Monitor compliance with best practices of corporate governance and identify any significant violations.

Four meetings of the committee were held in the financial year ended 30 June 2016. The attendance of the Committee meetings is as follows:

Committee Members	Status	Eligible to Attend	Attended
Mr. Adnan Asdar	Independent Non-Executive Director	1	-
Mr. Ateed Riaz	Independent Non-Executive Director	3	2
Ms. Bushra Afzal **	Independent Non-Executive Director	1	1
Mr. Ishaque Noor *	Independent Non-Executive Member	3	3
Ms. Nilofer Saeed *	Independent Non-Executive Member	3	-
Mr. Musadaq Zulqarnain	Independent Non-Executive Director	4	2
Mr. Tariq Raza Hussain **	Independent Non-Executive Director	1	1
Mr. S.M Ehtishamullah	Non-Executive Member	3	1
Mr. Shamshad Nabi	Non-Executive Member	3	2

* Retiring Directors pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2016
** Incoming Directors pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2016

Human Resources and Remuneration Committee

Terms of Reference:

The purpose of the Human Resource and Remuneration Committee is to assist the Board in reviewing Human Resource and Remuneration policy as well as improving and monitoring compliance with such policy. A key aspect of such review involves establishing a plan of continuity and development of senior management for TCF. The terms of reference include:

- Review and recommend Human Resource Management (HRM) policies to the Board (includes recruitment, retention, training, performance and compensation).
- Review HRM policies' compliance with applicable laws and monitor the organisation's compliance with HRM policies.
- Review and recommend to the Board selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.
- Review any significant external commitment made by the CEO (includes acting as a director or trustee of a for-profit or not-for-profit organisation).
- Review and recommend to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CFO, Company Secretary, Head of Internal Audit and all other senior management staff.
- Review major changes in the organisational structure of the management.
- Annually review the annual salary plan including increments and performance related bonuses for all staff members.
- Annually review TCF's Emergency Replacement Plan to ensure there is leadership continuity in the event of the unexpected departure or absence of a member of TCF's senior management team.

The attendance of the Committee meetings is as follows:

Committee Members	Status	Eligible to Attend	Attended
Mr. Ahsan M. Saleem	Independent Non-Executive Director	1	-
Mr. Ateed Riaz	Independent Non-Executive Director	2	2
Mr. Mushtaq K. Chhapra	Independent Non-Executive Director	2	2
Ms. Saima Amin Khawaja **	Independent Non-Executive Director	1	-
Mr. Syed Asaad Ayub Ahmad	Executive Director	2	2
Mr. Irfan Ali Hyder	Executive Member	2	1
Ms. Seema Chapra	Executive Member	1	1

** Incoming Director pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2016

Investment Committee

Terms of Reference:

The purpose of the Committee is to assist the Board in overseeing TCF's investment management activities and recommending to the Board a framework within which TCF's treasury team can operate. The terms of reference include:

- Recommend to the Board, an overall investment policy for TCF having specific regard to TCF's needs of balancing risk and return as a non-profit organisation.
- Provide specific investment parameters for portfolio investment matters, monitor adherence to these parameters and consider changes to these parameters.
- Ensure that investment policy takes into account the guidelines set by the Board and fulfills the requirements/constraints imposed by any regulatory/government authority.
- Monitor the effectiveness and implementation of the investment policy.
- Review the monthly bank and investment reports received by the CFO and oversee the management of these portfolios.
- Annually review its own performance, constitution and terms of reference to ensure effectiveness and recommend any changes it considers necessary to the Board.

During the year ended 30 June 2016, one meeting of the Committee was held.

Committee Members	Status	Eligible to Attend	Attended
Mr. Ahsan M. Saleem	Independent Non-Executive Director	1	1
Mr. Syed Asaad Ayub Ahmad	Executive Director	1	1
Ms. Nilofer Saeed *	Independent Non-Executive Member	1	1
Mr. Musadaq Zulqarnain	Independent Non-Executive Director	1	-
Mr. Shamshad Nabi	Independent Non-Executive Member	1	1

* Retiring Director pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2016

Procurement Committee

Terms of Reference:

The purpose of the Procurement Committee is to assist the Board in reviewing the procurement of goods and services for the organisation, and monitoring and improving procurement decision making and policy. No meeting of the committee was held during the financial year ended 30 June 2016. The terms of reference include:

- Review the major decisions of the Procurement Department on the basis of (1) quality (2) cost (3) quantity (4) condition (5) location (6) documentation and (7) timeliness of delivery.
- On an annual basis review the performance and compliance of the Procurement Department with its various policies.
- Monitor that the sub committees formed by the Procurement Department are active and are involved in the decision making process.
- Monitor that the sub committees of the Procurement Department are holding meetings and recording the minutes of these meetings.
- In consultation with the CEO, periodically review the effectiveness of the Standard Operating Procedure and Purchase Policy and provide constructive feedback to the Board.
- In consultation with the CEO, periodically review and recommend to the Board changes to the chain of command for raising and approving Purchase Requisitions and Purchase Orders.
- In consultation with the CEO, periodically review and recommend improvements to the Board on those sections of the Schedule of the Delegation of Financial Authority which fall under the Procurement Department's purview.

Non-Statutory Committees

Governance and Nomination Committee

Terms of Reference:

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 the governing principles of TCF. The Committee is formulated to take a leadership role in shaping the code of business for TCF (governing principles) and to keep it aligned with International Best Practices. The terms of reference include:

- Recommend/nominate qualified candidates for Board membership, structuring, reviewing and monitoring individual or collective responsibilities of the Board and its members.
- Evaluation of Directors.
- Board Structure and Organisation Architecture.
- Monitoring compliance with the Code of Corporate Governance and Governing Principles of TCF.
- Recommend CEO and key management compensation and benefits for Board approval, exclusive of what is mandated to the HR&R Committee.
- Oversee the succession process for the CEO and key management of TCF.
- Report regularly to the Board on Committee actions and any significant issues considered by the Committee.

Two meetings of the Committee were held in the financial year ended 30 June 2016.

Committee Members	Status	Eligible to Attend	Attended
Mr. Ahsan M. Saleem	Independent Non-Executive Director	2	2
Mr. Mushtaq K. Chhapra	Independent Non-Executive Director	1	-
Mr. Ateed Riaz	Independent Non-Executive Director	1	1
Mr. Ishaque Noor *	Independent Non-Executive Member	1	1
Ms. Nilofer Saeed *	Independent Non-Executive Member	1	-
Ms. Saima Amin Khawaja **	Independent Non-Executive Director	1	-
Mr. Syed Asaad Ayub Ahmad	Executive Director	2	2

* Retiring Directors pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2016
** Incoming Director pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2016

The Executive Committee

Terms of Reference

The Executive Committee is an apex committee of the Board which devises the strategic goals of the Foundation and keeps the members updated on all the projects and progress of operations of TCF. It assists the Board in advising the TCF management on organisation-wide improvement. The terms of reference include the following:

- To prepare and recommend updated long-term plans of the Company for approval of the Board.
- To provide guidelines to the Board for medium and short-term goals.
- To discuss new ideas and opportunities and explore their feasibility along with referring those ideas to the relevant committees for further refinement and presentation to the Board for approval.
- Review Operational and Capital Expenditure Budgets and their utilisation.
- To determine and recommend the delegation of authorities and financial powers to the Board for its approval.
- Review TCF's monthly Financial Statements.
- Review material findings after verification by the Foundation's internal and external auditors.

Five meetings of the committee were held in the financial year ended 30 June 2016.

Committee Members	Status	Eligible to Attend	Attended
Mr. Mushtaq K. Chhapra	Independent Non-Executive Director	5	5
Mr. Ahsan M. Saleem	Independent Non-Executive Director	5	1
Mr. Ateed Riaz	Independent Non-Executive Director	5	5
Ms. Nilofer Saeed*	Independent Non-Executive Member	5	2
Mr. Syed Asaad Ayub Ahmad	Executive Director	5	4

* Retiring Director pursuant to reconstitution of Committee due to Election of Directors held on 13 April 2016



Leading by Example

Hasina Ghafurat's life has been all about perseverance. Hailing from a low-income and conservative rural family, she fought stiff opposition for years to achieve her dream: to become a school teacher and transform lives through education.

Today, Hasina cherishes her role as a teacher at TCF. She has been teaching Urdu and Sindhi to Kindergarten students for the last seven years. The 'Best Teacher Award' she won this year is a testament to her performance and dedication to her job. Working at TCF also provided Hasina with a source of income to raise her two kids, both of whom are also enrolled at a TCF school. While discussing her future plans, Hasina said: **'I will continue my studies later this year. I eventually want to apply to become a Principal at TCF.'**



Resource Mobilisation Committee

Terms of Reference:

The purpose of the Resource Mobilisation Committee is to assist the Board in monitoring and reviewing the performance of the Resource Mobilisation Department and review its strategy at a macro level to suggest improvements. The terms of reference include:

- Review the revenue targets set for the various support groups of TCF including those set for its Global Chapters.
- Review and revise the resource mobilisation strategy of TCF along with the strategy of its support groups and Global Chapters.
- Review fundraising performance against targets.
- Evaluate the donor management standards and the Resource Mobilisation Department's adherence to these standards.
- Review TCF's communication material and donor updates and provide feedback.
- Monitor the marketing and fundraising related activities of TCF and ensure their cost efficiency.

No meeting of the Committee was held during the financial year ended 30 June 2016.

Technology Steering Committee

Terms of Reference:

The purpose of the Committee is to oversee the IT related activities and provide guidance for effective implementation of projects. The terms of reference include:

- Prepare multi-year academic and administrative plan with respect to IT.
- Review and monitor IT projects and assign priorities.
- Approve major IT initiatives and projects.
- Provide strategic direction for adaptation of emerging technologies.
- To discuss any other matter proposed to the committee.

One meeting of the Committee was held in the financial year ended 30 June 2016.

Committee Members	Status	Eligible to Attend	Attended
Mr. Adnan Asdar	Independent Non-Executive Director	1	1
Mr. Syed Asaad Ayub Ahmad	Executive Director	1	1
Mr. M. Iqbal Abdulla	Non-Executive Member	1	1

Report of the Audit Committee



The Audit Committee comprises only of Non-Executive Directors and professional members. Details of the Audit Committee are set out in the section which specifies the composition of Committees of Board of Directors in this report. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit (HOI) and External Auditor attend Audit Committee meetings by invitation. The Committee meets with HOI and External Auditor with and without CEO and CFO being present. The Committee performs its functions in accordance with the Terms of Reference (TORs) approved by the Board of Directors. Four meetings of the Audit Committee were held during the year ended 30 June 2016 presided by the Chairman Audit Committee. The Committee performed following key items during the current financial year:

- Reviewed Quarterly, Half Yearly and Annual Financial Statements of the Foundation together with Related Party Transactions and recommended them to the Board of Directors for approval.
- Ensured appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of Financial Statements of the Foundation on an ongoing concern basis, for the financial year ended 30 June 2016, which fairly present the state of affairs, results of operations, cash flows and changes in funds & reserves of the Foundation.
- Received confirmation and ensured that the CEO and the CFO have reviewed the Financial Statements of the Foundation and the Directors' Report and have acknowledged their responsibility for true and fair presentation of the Foundation's financial conditions and results, compliance with regulations and applicable accounting standards and design and effectiveness of the internal control systems of the Foundation.
- Ensured that proper and adequate accounting records have been maintained by the Foundation in accordance with the Companies Ordinance, 1984 and external reporting is consistent with management processes.
- No cases of complaints regarding accounting, internal accounting controls or audit matters, were received by the Committee.
- Evaluated that the Foundation's system of internal control is sound in design and has been continuously evaluated for effectiveness and adequacy.

Internal Audit

- The internal control framework has been effectively implemented through an independent in-house Internal Audit function established by the Board.
- Field work of internal audit of schools in South and South West Regions is conducted by Internal Audit Department of the Foundation while for schools in North and North West Regions, it is outsourced to an audit firm RSM Avais Hyder Liaquat Nauman (Chartered Accountants) and is supervised by the Internal Audit Department of the Foundation.
- Audit Report of schools in all four Regions have been processed and generated through an audit software by Internal Audit Department of the Foundation. A performance audit score is being calculated by the System for each school audited.
- Internal Audit Department also conducted internal audit of all Regional and Area Offices, garages and selected Head Office functions/departments in accordance with the Internal Audit Plan duly approved by the Audit Committee.
- Guidance was provided to the school management, Area and Regional Offices and departments of the Head Office throughout the year for implementation of internal controls and improvements in their areas.
- The Foundation's system of internal control is sound in design and is being continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured achievements of operational, compliance and financial reporting objectives and safeguarding the assets of the Foundation through effective financial, operational and compliance controls and risk management at all levels within the Foundation.
- HOI has direct access to the Chairman Audit Committee for guidance in performing the assigned task professionally and diligently.
- Coordination between External and Internal Auditors has facilitated to ensure efficiency and contribution to the Foundation's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Audit

- Statutory auditors of the Foundation, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, have completed their audit engagement of the "Foundation's Financial Statements", for the financial year ended 30 June 2016 and shall retire on the conclusion of the 20th Annual General Meeting.
- Audit Committee has reviewed and discussed the auditors' report.
- The Audit Firm has been given a satisfactory rating under the Quality Control Review Programme of the ICAP and the firm is fully compliant with the IFAC Guidelines on Code of Ethics, as adopted by the ICAP.
- Being eligible for re-appointment as Auditors of the Foundation, the Audit Committee recommends reappointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants-for the year ending 30 June 2017.

Noman Rafique makes it to UWC, Costa Rica!

Noman Rafique was only 14 when both of his parents passed away and he fell under the care of his uncle. But this loss did not stop the young TCF student from remaining steadfast in his resolve to learn. Hardworking and ambitious, Noman maintained an excellent academic record and graduated from TCF's Mobilink Campus, Karachi in 2015. Encouraged by his school principal, Noman applied for the prestigious UWC scholarship and was selected. Today, he is studying in the International Baccalaureate (IB) programme at the globally recognised United World Colleges (UWC)'s Costa Rica campus.

Noman says, **'UWC has been a dream come true experience for me. It's not an utopia and I believe nothing in the world can be, but it is the closest thing to utopia I have ever experienced in my life.'**

Noman, now 17, is making the most of his time at the UWC and pursues his interest in photography and sports in addition to academics. He is considering taking up 3D animation and web design as a profession once he finishes school, but says **'I have so many interests, I will see what works for me.'**



بسم الله الرحمن الرحيم

نحمده و نصلی علی رسوله الکریم

Annual Shariah Review Report

TCF is a professionally managed, non-profit and philanthropic organisation set up in 1996 by a group of citizens concerned with the dismal state of education in Pakistan. It is now one of Pakistan's leading organisations in the field of formal education.

The organisation's financial needs are being covered by general donations and Zakat that Pakistani individuals and corporate throughout the world contribute towards. To ensure that the whole process is Shariah-compliant, both in letter and in spirit, the undersigned has been appointed as an independent Shariah Advisor to review all Zakat-related documents and procedures.

In capacity of Shariah Advisor, I reviewed the procedures adopted by TCF for collection and utilisation of Zakat for the financial year ended 30 June 2016.

Based on my review, I confirm that The Citizens Foundation is collecting and spending Zakat fund in accordance with the instructions of Shariah. It is also confirmed that whosoever will give Zakat to this Foundation; their Zakat will be paid as per Shariah point of view.

Allah (SWT) may grant the management of The Citizens Foundation best reward for their services, and may give in their mission more blessings and sincerity. Aameen



MUFTI IBRAHIM ESSA

Shariah Advisor
The Citizens Foundation
Date: 03 August 2016

Profile of Shariah Advisor

Mufti Ibrahim Essa has completed his Darse Nizami (Masters in Quran and Sunnah) and Takhassus Fil Fiq (Specialisation in Islamic Jurisprudence) from Jamiah Darul Uloom Karachi, under the supervision of Mufti Muhammad Taqi Usmani. Mufti Ibrahim has been a teacher and member of Darul Ifta Darul Uloom Karachi since September 2006.

He has been associated with The Citizens Foundation since 1st May 2013 in the capacity of Shariah Advisor. Apart from TCF, Mufti Ibrahim Essa has been associated as Shariah Advisor with a number of Islamic financial institutions, Takaful companies, Mudarabas and audit firms as well as being the Shariah Consultant for leading charitable organisations on matters relating to Zakat. He has written more than two thousand Fatawa on a range of topics.

THE CITIZENS FOUNDATION

Notice of 20th Annual General Meeting of Members

Notice is hereby given to all the members of **The Citizens Foundation** that **20th Annual General Meeting** of the Foundation will be held on **Wednesday, 19 October 2016 at 11:30 am** at TCF Registered Office, Plot No 20, Sector 14, Korangi Industrial Area, Karachi-74900 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Foundation for the year ended 30 June 2016 together with Auditors' report thereon.

2. To adopt the Directors' Report and Chief Executive's Review for the year ended 30 June 2016.

3. To appoint Foundation's Auditors for the year ending 30 June 2017 and to fix their remuneration. M/s. KPMG Taseer Hadi & Co., Chartered Accountants, retired and being eligible, offer themselves for reappointment.

By order of the Board.

Khwaja Bakhtiar Ahmed
Company Secretary - TCF

Date: 28 September 2016
Place: Karachi





Establishing Integrity through Transparency

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone +92 (21) 3568 5847
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 2016 and the related income and expenditure account, statement of comprehensive income, cash flow statement and statement of changes in funds and reserves together with the notes forming part thereof, 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 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 of our opinion and, after due verification, we report that:

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

b) in our opinion:

   i) the balance sheet and income and expenditure account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change in accounting policies as stated in note 2.5 to the accompanying financial statements, with which we concur;

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

   iii) the business conducted, investments made and the expenditure incurred during the year 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, cash flow statement and statement of changes in funds and reserves together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Foundation's affairs as at 30 June 2016 and of the surplus, its cash flows and changes in funds and reserves for the year then ended; and

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

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Date: 11 August 2016
Karachi

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

Balance Sheet

As at 30 June 2016

	Note	2016	2015
		(Rupees in '000)	
ASSETS			
Non-Current assets			
Property and equipment	4	**4,470,847**	4,110,780
Intangible assets	5	**7,411**	4,133
Long term investments	6	**1,251,287**	1,330,629
Long term deposits		**12,736**	10,573
		5,742,281	5,456,115
Current Assets			
Advances and prepayments	7	**109,057**	99,096
Accrued income and other receivables	8	**90,640**	76,328
Short term investments	9	**1,844,055**	1,173,697
Cash and bank balances	10	**275,205**	167,651
		2,318,957	1,516,772
Total Assets		**8,061,238**	6,972,887
FUNDS AND LIABILITIES			
Capital fund	11	**2,400**	2,200
General fund		**658,576**	656,815
Surplus of income over expenditure for the year		**8,443**	38,991
Unrealised gain on remeasurement of available for sale investments		**64,491**	89,862
		733,910	787,868
Non-Current Liabilities			
Endowment fund	12	**1,864,982**	1,369,911
Deferred income relating to operating fixed assets	13	**4,447,313**	3,851,765
Deferred income relating to school support, grants and children education	14	**626,972**	565,580
		6,939,267	5,787,256
Current Liabilities			
Accrued expenses and other liabilities	15	**388,061**	397,763
Total Funds and Liabilities		**8,061,238**	6,972,887
Contingencies and Commitments	16		

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

Chief Executive Officer

Chairman

Income and Expenditure Account

For the year ended 30 June 2016

	Note	2016	2015
		(Rupees in '000)	
INCOME			
Donations	17	**2,527,049**	2,089,503
Income on investment - net	18	**24,295**	82,781
Gain on disposal of fixed assets		**11,692**	55,260
		2,563,036	2,227,544
OPERATING EXPENDITURE			
Education Programme			
Subsidies to schools	19	**1,184,618**	1,010,192
Books, copies, uniforms and other school supplies		**289,052**	267,522
Repair and maintenance charges		**118,123**	77,117
School vehicle running and maintenance		**88,731**	91,002
Teachers' training		**62,290**	48,524
School supervision and monitoring		**177,209**	147,517
Depreciation on school assets	20	**355,164**	328,765
Other expenses	21	**49,679**	28,098
		2,324,866	1,998,737
Programme Administration			
Salaries and other benefits	22	**111,391**	82,152
Resource mobilisation expenses		**62,778**	61,266
Vehicle running and maintenance		**4,857**	4,000
Travelling and conveyance		**2,789**	2,089
Utilities		**4,923**	4,874
Communication		**3,378**	2,961
Printing and stationery		**3,685**	5,555
Depreciation	20	**18,735**	17,303
Other expenses	23	**17,191**	9,616
		229,727	189,816
Total Operating Expenditure		**2,554,593**	2,188,553
Surplus of income over expenditure for the year		**8,443**	38,991

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

Chief Executive Officer

Chairman

Statement of Comprehensive Income

For the year ended 30 June 2016

	2016	2015
	(Rupees in '000)	
Surplus of income over expenditure for the year	**8,443**	38,991
Unrealised loss on remeasurement of available for sale investments	**(20,874)**	(24,543)
Reclassification adjustments relating to gain on disposal of available for sale investments	**(4,497)**	(36,970)
Other comprehensive income for the year	**(25,371)**	(61,513)
Total comprehensive income for the year	**(16,928)**	(22,522)

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

Chief Executive Officer

Chairman

Cash Flow Statement

For the year ended 30 June 2016

	Note	2016	2015
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from support donation operations	24	**(593,262)**	(456,278)
Long term deposits		**(2,163)**	(1,116)
Net cash used in operating activities		**(595,425)**	(457,394)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(739,226)**	(698,326)
Sales proceeds on disposal of fixed assets		**12,230**	58,322
Investments - Long term and Short term		**(338,030)**	(565,919)
Income on investments		**192,056**	122,591
Net cash used in investing activities		**(872,970)**	(1,083,332)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital fund		**200**	-
Endowment fund		**457,841**	396,989
Deferred receipts relating to build donations	13	**746,588**	559,520
Deferred receipts relating to school support, grants and children education	14	**645,180**	663,629
Net cash generated from financing activities		**1,849,809**	1,620,138
Net increase in cash and cash equivalents		**381,414**	79,412
Cash and cash equivalents at beginning of the year		**760,501**	681,089
Cash and cash equivalents at end of the year	24.2	**1,141,915**	760,501

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

Chief Executive Officer

Chairman

Statement of Changes in Funds & Reserves

For the year ended 30 June 2016

	Capital fund	General fund	Accumulated (Deficit) / Surplus	Unrealised gain on remeasurement of available for sale investments	Total
	(Rupees in '000)				
Balance as at 30 June 2014	2,200	700,427	(43,612)	151,375	810,390
Transaction with members of the Foundation recognised directly in Funds and Reserves for the year ended 30 June 2015					
Transfer of deficit of income over expenditure to the general fund	-	(43,612)	43,612	-	-
Total Comprehensive income for the year					
Surplus of income over expenditure for the year	-	-	38,991	-	38,991
Other comprehensive income					
Unrealised loss on remeasurement of available for sale investments	-	-	-	(24,543)	(24,543)
Reclassification adjustments relating to gain on disposal of available for sale investments	-	-	-	(36,970)	(36,970)
Total comprehensive income for the year	-	-	38,991	(61,513)	(22,522)
Balance as at 30 June 2015	2,200	656,815	38,991	89,862	787,868
Transaction with members of the Foundation recognised directly in Funds and Reserves for the year ended 30 June 2016					
Contribution received during the year	**200**	-	-	-	**200**
Transfer of surplus of income over expenditure to the general fund	-	**38,991**	**(38,991)**	-	-
Transfer from General Fund to Endowment Fund	-	**(37,230)**	-	-	**(37,230)**
Total comprehensive income for the year					
Surplus of income over expenditure for the year	-	-	**8,443**	-	**8,443**
Other comprehensive income					
Unrealised loss on remeasurement of available for sale investments	-	-	-	**(20,874)**	**(20,874)**
Reclassification adjustments relating to gain on disposal of available for sale investments	-	-	-	**(4,497)**	**(4,497)**
Total comprehensive income for the year	-	-	**8,443**	**(25,371)**	**(16,928)**
Balance as at 30 June 2016	**2,400**	**658,576**	**8,443**	**64,491**	**733,910**

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

Chief Executive Officer

Chairman

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 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 judgements 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 recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements 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, judgement is involved in evaluating the intention and ability to hold these investments till their respective maturities.

Available for sale investment

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

2.5 New, amended and revised standards and interpretations of IFRSs

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS I2 'Disclosure of Interests in Other Entities' and IFRS 13 'Fair Value Measurements'. These standards became applicable from 1 July 2015, as per the adoption status of IFRS in Pakistan. The application of IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the financial statements of the Foundation.

IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the financial statements of the Foundation, except certain additional disclosures.

2.6 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 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortisation for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated' , or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Foundation's financial statements.

- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Foundation's financial statements.

- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Foundation's financial statements.

- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Foundation's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Foundation's financial statements.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Foundation's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on Foundation's financial statements.

- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

  - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

  - IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognised in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

  - IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

  - IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for the change in accounting policy as mentioned in note 2.5 to these financial statements.

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 amortised on a straight line basis over their estimated useful lives.

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

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

3.3 Investments

All investments in equity securities and units / certificates of open and closed end mutual funds classified as available for sale are initially recognised 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 recognised at the time when the Foundation becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Foundation loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income and expenditure account.

3.7 Offsetting of financial assets and financial liabilities

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

3.8 Income recognition

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

Donations related to operating fixed assets e.g. for building schools etc. received in cash are recognised as deferred income and amortised 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.

Donations received in kind exceeding the capitalisation limit are recognised as deferred income and amortised over the useful life of asset from the date the asset is available for intended use. Donations received in kind which are below the capitalisation limit are recognised as income for the year.

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

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

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

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

Income on Pakistan Investment Bonds 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 of the Income Tax Ordinance, 2001. Further by virtue of sub-clause (ia) of clause (61) of Part I of the Second Schedule of the said Ordinance, any donation made to The Citizens Foundation by any person shall be allowed as admissible deduction. The exemption clauses became 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

		2016	2015
		(Rupees in '000)	
Operating fixed assets	4.1	**3,842,751**	3,561,881
Capital work in progress	4.2	**576,836**	503,918
Advance for construction		**15,141**	13,403
Advance against purchase of operating fixed assets		**36,119**	31,578
		4,470,847	4,110,780

4.1 Operating Fixed Assets

	2016								
	School land		Building on		Furniture and fittings	Vehicles	Electrical equipment	Office and other equipments	Total
	leasehold	freehold	leasehold land	freehold land					
	(Rupees in '000)								
At 1 July 2015									
Cost	11,820	194,493	92,892	3,921,197	344,922	636,310	29,367	93,900	5,324,901
Accumulated depreciation	-	-	(18,575)	(1,168,937)	(176,348)	(328,715)	(15,517)	(54,928)	(1,763,020)
Net book value	11,820	194,493	74,317	2,752,260	168,574	307,595	13,850	38,972	3,561,881
Additions / transfers from capital work in progress	880	11,922	44,980	415,305	72,423	90,366	6,028	13,403	655,307
Disposals									
Cost	-	-	-	-	521	18,510	174	918	20,123
Accumulated depreciation	-	-	-	-	(502)	(18,144)	(141)	(798)	(19,585)
	-	-	-	-	19	366	33	120	538
Depreciation for the year	-	-	(5,570)	(204,166)	(32,002)	(112,298)	(5,542)	(14,321)	(373,899)
Closing net book value	12,700	206,415	113,727	2,963,399	208,976	285,297	14,303	37,934	3,842,751
At 30 June 2016									
Cost	12,700	206,415	137,872	4,336,502	416,824	708,166	35,221	106,385	5,960,085
Accumulated depreciation	-	-	(24,145)	(1,373,103)	(207,848)	(422,869)	(20,918)	(68,451)	(2,117,334)
Net book value	12,700	206,415	113,727	2,963,399	208,976	285,297	14,303	37,934	3,842,751
Depreciation rates (% per annum)	-	-	5	5	10	20	20	20	

	2015								
	School land		Building on		Furniture and fittings	Vehicles	Electrical equipment	Office and other equipments	Total
	leasehold	freehold	leasehold land	freehold land					
	(Rupees in '000)								
At 1 July 2014									
Cost	11,416	179,923	90,348	3,649,873	307,712	586,287	23,616	84,941	4,934,116
Accumulated depreciation	-	-	(13,969)	(979,539)	(148,960)	(285,034)	(10,660)	(46,437)	(1,484,599)
Net book value	11,416	179,923	76,379	2,670,334	158,752	301,253	12,956	38,504	3,449,517
Additions / transfers from capital work in progress	404	14,570	2,544	271,324	37,723	115,647	5,751	13,531	461,494
Disposals									
Cost	-	-	-	-	513	65,624	-	4,572	70,709
Accumulated depreciation	-	-	-	-	(382)	(62,823)	-	(4,442)	(67,647)
	-	-	-	-	131	2,801	-	130	3,062
Depreciation for the year	-	-	(4,606)	(189,398)	(27,770)	(106,504)	(4,857)	(12,933)	(346,068)
Closing net book value	11,820	194,493	74,317	2,752,260	168,574	307,595	13,850	38,972	3,561,881
At 30 June 2015									
Cost	11,820	194,493	92,892	3,921,197	344,922	636,310	29,367	93,900	5,324,901
Accumulated depreciation	-	-	(18,575)	(1,168,937)	(176,348)	(328,715)	(15,517)	(54,928)	(1,763,020)
Net book value	11,820	194,493	74,317	2,752,260	168,574	307,595	13,850	38,972	3,561,881
Depreciation rates (% per annum)	-	-	5	5	10	20	20	20	

4.1.1 School land includes land acquired by the Foundation as well as received as donations. The donated plots of land are stated at nominal value.

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.

4.1.3 Book value of building on leased hold land includes

	2016	2015
	(Rupees in '000)	
School buildings	**47,407**	5,067
Head Office building	**66,320**	69,250
	113,727	74,317

4.2 Capital Work in Progress

Balance as at 1 July	**503,918**	272,947
Expenditure incurred during the year	**533,203**	504,839
	1,037,121	777,786
Transferred during the year to:		
School buildings	**(460,285)**	(271,324)
Office building	**-**	(2,544)
	576,836	503,918

This represents civil works and related cost for the construction of schools and head office building.

		2016	2015
		(Rupees in '000)	
5. INTANGIBLE ASSETS			
Software	5.1	**2,404**	3,329
Advance against purchase of software		**5,007**	804
		7,411	4,133

5.1 Software

Net carrying value basis		
Opening net book value (NBV)	**3,329**	2,961
Additions (at cost)	**519**	1,640
Amortisation charge	**(1,444)**	(1,272)
Closing net book value	**2,404**	3,329
Gross carrying value		
Cost	**9,047**	7,407
Additions (at cost)	**519**	1,640
Accumulated amortisation	**(7,162)**	(5,718)
Net book value	**2,404**	3,329

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

6. LONG TERM INVESTMENTS

		2016	2015
		(Rupees in '000)	
Held to maturity			
Pakistan Investment Bonds (PIBs)	6.1 & 6.2	**993,437**	1,117,253
Available for sale			
Certificates of closed end funds			
PICIC Growth Fund		**209,971**	161,195
PICIC Investment Fund		**35,660**	41,277
		245,631	202,472
Units of open end funds			
Meezan Balanced Fund		**12,219**	10,904
		1,251,287	1,330,629

6.1 This represents investment in Pakistan Investment Bonds having maturities between 17 July 2017 and 18 July 2018 and carrying yields from 6.22% to 12.50% (June 2015: 10.39% to 12.50%). The PIBs have market value of Rs. 1,040.26 million (2015: Rs. 1,200.77 million) as at 30 June 2016.

6.2 Pakistan Investment Bonds having maturities within one financial year and maturing on 18 July 2016 carrying yields from 11.84% to 12.08% (June 2015: 11.97% to 12.50%) are classified in Short Term Investments as reflected in note 9 to these financial statements.

7. ADVANCES AND PREPAYMENTS

Advances to staff for expenses - considered good	**97,969**	87,270
Advances to suppliers - considered good	**9,331**	10,148
Prepaid expenses	**1,757**	1,678
	109,057	99,096

8. ACCRUED INCOME AND OTHER RECEIVABLES

Accrued income on investments		
- Pakistan Investment Bonds	**67,588**	57,745
- Term Deposit Receipts	**7,626**	13,531
	75,214	71,276
Tax deducted at source	**12,797**	2,913
Other receivable	**2,629**	2,139
	90,640	76,328

9. SHORT TERM INVESTMENTS

		2016	2015
		(Rupees in '000)	
Held to maturity			
Term Deposit Receipts			
Local currency			
Faysal Bank Limited	9.1	225,000	370,000
Dubai Islamic Bank Pakistan Limited		-	150,000
Meezan Bank Limited		-	150,000
Habib Metropolitan Bank Limited	9.2	50,000	50,000
Bank Al Habib Bank Limited	9.3	50,000	-
NIB Bank Limited		-	50,000
Tameer Microfinance Bank Limited	9.4	340,000	-
	9.5	665,000	770,000
Foreign currency			
Bank Al-Habib Limited	9.6	186,010	-
Dubai Islamic Bank Pakistan Limited	9.7	198,550	192,850
NIB Bank Limited	9.8	205,695	-
	9.9	590,255	192,850
Treasury Bills			
State Bank of Pakistan		-	173,747
Pakistan Investment Bonds	9.10	464,310	-
Available for sale			
Units of open end funds			
Al-Ameen Islamic Preservation Fund IV		5,615	5,351
Askari High Yield Scheme		10,431	-
NAFA Islamic Stock Fund	9.11	48,571	31,749
NAFA Riba Free Saving Fund	9.11	6,338	-
Atlas Income Fund		2,007	-
JS Income Fund		14,528	-
Faysal Savings Growth Funds		10,262	-
AKD Opportunity Fund		5,309	-
Meezan Asset Allocation Plan-1		11,174	-
MCB Pakistan Sovereign Fund		10,255	-
		124,490	37,100
		1,844,055	1,173,697

9.1 This represents investment in three local currency Term Deposit Receipts maturing between 27 September 2016 to 15 October 2016 and carrying profit rate ranging from 6.00% to 6.20% per annum (June 2015 : 6.55% to 8.50% per annum).

9.2 This represents investment in Shariah compliant local currency Term Deposit Receipt maturing on 28 September 2016 and carrying expected profit rate 5.70% (June 2015 : 6.60%) per annum.

9.3 This represents investment in local currency Term Deposit Receipts maturing on 27 July 2016 and carrying profit rate 6.00% (June 2015 : Nil) per annum.

9.4 This represents investment in local currency Term Deposit Receipts maturing between 20 July 2016 to 27 December 2016 and carry expected profit rate ranging from 7.15% to 8.70% (June 2015 : Nil) per annum.

9.5 This includes Term Deposit Receipts having maturity less than 3 months amounting to Rs. 475.00 million (2015: Rs. 400.00 million).

9.6 This represents Term Deposit Receipts in US Dollar amounting to $1.78 million (June 2015: Nil) having maturities between 30 August 2016 to 29 September 2016 carrying profit at 1.50% (June 2015: Nil) per annum.

9.7 This represents Shariah Compliant Term Deposit Receipt in US Dollar amounting to $1.90 million (June 2015: $1.90 million) having maturity on 27 November 2016 carrying mark-up at 1.65% (June 2015: 2.00%) per annum.

9.8 This represents Term Deposit Receipts in US Dollar amounting to $ 1.14 million (June 2015: Nil) and GBP amounting to GBP 0.62 million (June 2015: Nil) having maturity between 03 July 2016 and 30 July 2016 respectively carrying mark-up at 1.70% (June 2015: Nil) per annum and 1.00% (June 2015: Nil) per annum respectively.

9.9 This includes Foreign currency Term Deposit Receipts having maturity less than 3 months amounting to Rs. 391.71 million (June 2015: Rs. 192.85 million).

9.10 This represents Pakistan Investment Bonds maturing on 18 July 2016 and carrying yields from 11.84% to 12.08% (June 2015: Nil). The PIBs have market value of Rs. 466.66 million (2015: Nil) as at 30 June 2016.

9.11 This represents investments under Shariah Compliant Capital Protected Plan managed by NBP Fullerton Asset Management Limited (NAFA) as per agreement dated 24 January 2013 with the Foundation.

10. CASH AND BANK BALANCES

		2016	2015
		(Rupees in '000)	
Cash in hand		100	100
Cash at bank:			
- current account	10.1	6,871	12,442
- deposit account	10.2 & 10.3	268,234	155,109
		275,105	167,551
		275,205	167,651

10.1 This includes foreign currency equivalent to Rs. 5.70 million (2015: Rs. 10.92 million).

10.2 This includes foreign currency equivalent to Rs. 3.83 million (2015: Rs. 3.35 million). Profit rate on deposit accounts ranges from 0.10% to 0.25% (2015: 0.10% to 0.25%) per annum for foreign currency deposit accounts and 2.50% to 6.00% (2015: 4.00% to 6.50%) per annum for local currency deposit accounts.

10.3 The deposit account also includes a security deposit of Rs. 48.91 million (2015: 25.87 million) on which 4.50% (2015: 4.75%) per annum return is offered. 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.

11. CAPITAL FUND

This represents contribution by the members when they joined the Foundation in terms of Article "8" of Articles of Association of 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 as per arrangement with the donor.

12.1 Classification of Endowment Donors

		2016	2015
		(Rupees in '000)	
AKU Class of '94 Group		**21,023**	21,023
Ateed, Ameed & Naveed Riaz		**24,035**	11,659
Austin Group		**18,926**	18,926
Connecticut Group		**12,007**	12,007
Crescent Steel & Allied Products Ltd		**28,560**	11,207
CV Booster		**12,285**	-
Dallas Fort - Worth Supporters		**17,379**	-
Friends and Wellwishers of Sultan Mowjee		**34,000**	33,500
Ghulam Fatima School		**23,279**	19,164
HBL Foundation		**38,588**	36,367
Houston Group		**76,587**	50,522
Indus Motor Company		**20,000**	20,000
Interloop Welfare Trust		**132,000**	36,000
Kansas Donors		**12,280**	10,245
Keith Dhunleavy		**15,951**	3,900
Los Angeles Group		**18,556**	18,556
Mrs. Banu M.A. Rangoonwala Trust		**12,000**	12,000
Microsoft Evergreen campus		**18,375**	18,375
M. I. Naseem		**19,500**	19,500
Murtaza Hussain		**20,860**	-
National Bank of Pakistan		**17,500**	17,500
Noorani Family		**14,685**	13,131
One Muslim - post matric students		**10,000**	10,000
Pakistan State Oil Company Ltd		**17,500**	17,500
Pennsylvania Chapter		**14,602**	-
Radiant Way Endowment Fund		**80,943**	80,204
Rashid & Zarfeshan Sharaf		**21,903**	-
Saeeda Mazhar Mahmood		**33,100**	33,100
Salman Rashid		**10,000**	-
Shahid Jalal		**26,287**	-
Shiraz Rehmani		**14,220**	-
Sajid Salman		**19,222**	18,643
Seattle Group		**17,935**	17,935
Seeds of learning		**92,284**	37,111
The Shirin Sultan Dossa Foundation		**733,607**	654,642
TCF - USA		**49,050**	49,050
USA Austin Chapter		**20,638**	-
Wahid Maskatiya		**10,130**	10,130
Others	12.2	**85,185**	58,014
		1,864,982	1,369,911

12.2 This represents Endowment fund of donors not exceeding Rs. 10 million and also includes donors who have requested for anonymity.

12.3 Movement of Endowment Fund		2016	2015
		(Rupees in '000)	
Opening Balance		1,369,911	972,922
Addition during the year		488,544	387,221
Balance available for investment		1,858,455	1,360,143
Net return used for accumulation of endowment fund			
Closing Balance	18	6,527	9,768
		1,864,982	1,369,911

13. DEFERRED INCOME RELATING TO OPERATING FIXED ASSETS

Opening balance	3,851,765	3,429,332
Donations received during the year	746,588	559,520
Amortisation for the year	(151,040)	(137,087)
	4,447,313	3,851,765

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

Opening balance		565,580	461,103
Donations received during the year	14.1	645,180	663,629
Amortisation for the year		(583,788)	(559,152)
	14.2 & 14.3	626,972	565,580

14.1 This includes grants received during the year amounting to Rs. 363.44 million (2015: Rs. 382.91 million) as follows:

	2016			
	Grants as at 01 July 2015	Grants Received during the year	Amortisation for the year	Grants as at 30 June 2016
	(Rupees in '000)			
DAI Europe	-	1,216	1,216	-
Education Fund for Sindh	-	110,275	110,275	-
Tavola Veldese	-	1,769	1,061	708
New Zealand Embassy	900	-	900	-
Australian High Commission - DAP	-	1,913	1,488	425
Qatar Foundation	-	245,743	245,743	-
Skoll Foundation	12,687	-	12,687	-
Target Foundation	1,265	2,520	3,785	-
	14,852	363,436	377,155	1,133

	2015			
	Grants as at 01 July 2014	Grants Received during the year	Amortisation for the year	Grants as at 30 June 2015
	(Rupees in '000)			
DAI Europe	-	11,948	11,948	-
Education Fund for Sindh	-	127,391	127,391	-
I-Care Foundation	1,049	-	1,049	-
New Zealand Embassy	-	1,200	300	900
Qatar Foundation	-	220,803	220,803	-
Skoll Foundation	-	19,031	6,344	12,687
Target Foundation	1,339	2,532	2,606	1,265
	2,388	382,905	370,441	14,852

14.2 This includes an amount of Rs. 355.11 million (2015: Rs. 312.97 million) representing sustainability fund to meet cash short fall in the operational support of the schools in future.

14.3 This includes Zakat amounting to Rs. 57.20 million (2015: Rs. 15.18 million).

14.4 Movement of Zakat		2016	2015
		(Rupees in '000)	
Opening Balance		**15,180**	9,600
Amount received during the year		**688,580**	284,630
		703,760	294,230
Amount utilised during the year		**(646,563)**	(279,050)
Closing Balance	14.3	**57,197**	15,180

15. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses		**240,412**	273,880
Security deposit	10.3	**49,001**	25,868
Retention money		**24,392**	22,233
Scholarship		**12,343**	27,763
Provision for compensated absences		**31,678**	19,353
School water project		**5,558**	11,167
Other liabilities		**24,677**	17,499
		388,061	397,763

16. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

16.1 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 year 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 said increase with the Commissioner of SESSI. Currently the Foundation is awaiting for judgement on review petition filed with the Supreme Court of Pakistan and appeal pending with Commissioner SESSI. However, a provision of Rs. 35.47 million has been made in the financial statements against the alleged demand. Similarly, the Foundation has also made a provision of Rs. 35.967 million in the financial statements against PESSI contribution 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.

16.2 On 15 March 2013 the Foundation received a notice from Inland Revenue Officer of Federal Board of Revenue (FBR) reference no. Unit-06/WHT/RTO-II/Khi/2012- 2013/438 under section 161(1A) of the Income Tax Ordinance 2001 on account of non/short deduction of Withholding Tax relating to tax year 2012. The notice set out a show cause on short deduction of with holding tax of Rs. 64.19 million. The Foundation through its tax advisor submitted detailed explanations, paid challans and various communications to FBR from time to time. Resultantly, Officer Inland Revenue (OIR) through its letter reference Unit -06/WHT/RTO-II/Khi/2012-2013/140 dated 10 October 2013 and 241 dated 12 November 2013 accepted Foundation's justifications for all the line items of non/short deduction of withholding tax mentioned in previous notice except for the withholding tax on construction work on Head office building of Rs 77.55 million with the corresponding withholding tax amount of Rs. 4.65 million and construction work on other buildings of Rs. 359.65 million with the corresponding withholding tax amount of Rs. 21.58 million, aggregating the total short fall of withholding tax to Rs. 19.71 million (net of withholding tax deducted on the above construction work amounting to Rs. 6.52 million). Further default surcharge, under section 205 of Income Tax Ordinance 2001, amounting to Rs. 3.55 million was also levied by OIR

making a total demand of Rs 23.26 million. The Foundation through its tax advisor filed an appeal to Commissioner Inland Revenue against the demand and submitted all the relevant supports and evidences. The Commissioner in his order reference no. 34 dated 27 February 2015 disposed off the appeal and remanded back the recovery order under section 129 of Income Tax Ordinance 2001 to the concerned department for reassessment of the same taking into account the supports provided by the Foundation.

16.3 During the year the Foundation received a notice from Employees' Old age Benefit Institution (EOBI) dated 21 March 2016 raising an additional demand of EOBI contribution amounting to Rs. 30.04 million on the basis of enhancement of Minimum Wages by Government of Pakistan through Minimum Wages for Unskilled Workers (Amendment) Act, 2016 at enhanced rates with retrospective effect. The Foundation along with Employers' Federation of Pakistan and 101 other Petitioner companies has filed a constitutional petition being number 2085/2016 in the Honourable Sindh High Court challenging the demand. The learned Division Bench of Honourable High Court of Sindh heard the petition on 14 April 2016 and has passed injunctive order whereby EOBI has been restrained from resorting to coercive measures. The Foundation is already paying said contribution as per current minimum wages with effect from 1 July 2015. The Foundation is confident of a favourable outcome of the same based on legal opinion, therefore, no provision has been made in this regard.

Commitments

Commitment in respect of capital expenditure amounts to Rs. 237.76 million (2015: Rs. 152.66 million).

17. DONATIONS

		2016	2015
		(Rupees in '000)	
Donations received during the year	17.1 & 17.2	**1,792,221**	1,393,264
Amortised - donations related to assets	13	**151,040**	137,087
Amortised - donations related to school support, grants and children education	14	**583,788**	559,152
		2,527,049	2,089,503

17.1 This includes Zakat amounting to Rs. 646.56 million (2015: Rs. 279.05 million).

17.2 This includes return on endowment fund amounting to Rs. 158.56 million (2015: Rs. 125.53 million).

18. INCOME ON INVESTMENTS

Income from:			
- Term Finance Certificates		**-**	438
- Term Deposit Receipts		**41,195**	27,508
- Treasury Bills		**6,705**	19,834
- Pakistan Investment Bonds		**148,094**	120,756
Profit on bank accounts		**7,737**	12,753
Exchange (loss) / gain - net		**5,062**	(8,754)
Dividend income		**-**	30,669
Capital gain on disposal of investments		**4,497**	42,715
Income on investments		**213,290**	245,919
Transferred during the year to:			
Support Donation	18.1	**(158,557)**	(125,532)
Endowment Fund	12.3	**(6,527)**	(9,768)
Scholarship Fund		**(1,416)**	(1,468)
Sustainability Fund		**(22,495)**	(26,370)
		(188,995)	(163,138)
Income on investments - net		**24,295**	82,781

18.1 This represents income on investments from endowment fund utilised for support operations at the discretion of donor. The amount is transferred to Donation as referred in note 17 to these financial statements.

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 Schools".

19.1 The break-up of Subsidies to Schools is as follows:

		2016	2015
		(Rupees in '000)	
Subsidies to TCF Schools		**1,152,695**	1,010,192
Subsidies to TCF College		**4,455**	-
Subsidies to Government Schools under Government Schools Programme (GSP)	19.2	**27,468**	-
		1,184,618	1,010,192

19.2 This represents net subsidies reimbursed by the Foundation to the Government Schools whose operational management has been taken over by the Foundation from Punjab, Sindh and KPK Governments during the year. Following is the break-up of Net Subsidies to Government Schools Programme:

	Government Schools in KPK	Government Schools of Pakistan Railways	Government Schools in Sindh	Government Schools in Punjab	**Total**
			(Rupees in '000)		
Reimbursement received	-	(1,452)	(480)	(16,731)	**(18,663)**
Expenses incurred	1,296	1,705	384	42,746	**46,131**
	1,296	253	(96)	26,015	**27,468**

20. DEPRECIATION

	2016	2015
	(Rupees in '000)	
Depreciation has been allocated as follows:		
Education Programme	**355,164**	328,765
Programme Administration	**18,735**	17,303
	373,899	346,068

21. OTHER SCHOOL EXPENSES

Schools - general insurance	**7,027**	7,972
Ceremony functions and awards	**13,743**	11,132
Freight charges - furniture and equipments	**1,304**	175
Post matriculation scholarship for TCF students	**16,799**	-
Consultancy expenses	**2,132**	1,838
Student activities	**3,998**	5,869
Other school expenses	**4,676**	1,112
	49,679	28,098

21.1 This represents post-matriculation scholarship Programme for meritorious TCF students for the purpose of achieving their intermediate and under-graduate education.

22. SALARIES AND OTHER BENEFITS

22.1 Remuneration of Chief Executive Officer and Executives

	Chief Executive Officer		Executive	
	2016	2015	2016	2015
	(Rupees in '000)			
Remuneration	**9,244**	8,480	**93,157**	70,534
Number of person	**1**	1	**115**	69

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

22.3 Staff Summary	2016	2015
	(Number)	
Management and Faculty staff as on 30 June	**8,869**	8,807
Management and Faculty staff -average for the year	**8,249**	7,756

23. OTHER EXPENSES

		2016	2015
		(Rupees in '000)	
Advertisement		**840**	454
Amortisation of intangible asset	5.1	**1,444**	1,272
Auditors' remuneration		**469**	333
Bank charges		**1,990**	1,154
Fee and subscriptions		**816**	202
Insurance		**1,513**	456
Office expenses		**3,129**	1,900
Legal and Professional charges		**5,802**	3,020
Repairs and maintenance		**1,188**	825
		17,191	9,616

24. CASH GENERATED FROM OPERATIONS

Surplus of income over expenditure for the year		**8,443**	38,991
Adjustments for non cash charges and other items:			
Depreciation	20	**373,899**	346,068
Capital gain on disposal of investments	18	**(4,497)**	(42,715)
Amortisation of intangible asset	5.1	**1,444**	1,272
Amortisation of deferred income	13 & 14	**(734,828)**	(696,239)
Income on investments		**(195,994)**	(168,536)
Gain on sale of fixed assets		**(11,692)**	(55,260)
Working capital changes	24.1	**(30,037)**	120,141
		(593,262)	(456,278)

24.1 Working Capital Changes

(Increase) / decrease in current assets		
Advances, deposits and prepayments	**(9,961)**	(33,751)
Accrued income and other receivables	**(10,374)**	(3,754)
	(20,335)	(37,505)
Increase / (decrease) in current liabilities		
Accrued expenses and other liabilities	**(9,702)**	157,646
	(30,037)	120,141

24.2 Cash and Cash Equivalents		2016	2015
		(Rupees in '000)	
Short term investments	9.5 & 9.9	**866,710**	592,850
Cash and bank balances	10	**275,205**	167,651
		1,141,915	760,501

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 Abdulla (Pvt) Limited, in which Mr. Shahid Abdulla (Director of the Foundation) is also a director, has donated Rs. 0.50 million (2015: Rs. Nil) during the year.

A joint account titled "Ateed, Ameed and Naveed Riaz", which includes Mr. Ateed Riaz (Chairman of the Foundation), have donated Rs. 12.37 million (2015: Rs. 11.66 million) during the year.

Central Depository Company of Pakistan Limited, in which Mr. Ahsan M Saleem (Director of the Foundation) donated Rs. 11.25 million (2015: Rs. Nil) 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. 48.33 million (2015: Rs. 6.65 million) during the year.

Multinet Pakistan (Private) Limited, in which Mr. Adnan Asdar (Director of the Foundation) is also a director, has donated Rs. 0.12 million (2015: Rs. 0.44 million) during the year.

Gurmani Foundation, in which Ms. Saima Khawaja (Director of the Foundation) is also a director, has donated Rs. 10.50 million (2015: Rs. 9.75 million) during the year.

Interloop Welfare Trust, in which Mr. Musadaq Zulqarnain (Director of the Foundation) is also a director, has donated Rs. 115.69 million (2015: Rs. 58.05 million) during the year.

Port Qasim Authorities, Karachi in which Mr. Musadaq Zulqarnain (Director of the Foundation) is also a director has donated Rs. 0.08 million (2015: Rs. Nil) 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. 20.00 million (2015: Rs. 10.00 million) during the year.

Tarseel (Private) Limited, in which Mr. Ateed Riaz (Chairman of the Foundation) is also a director, has donated Rs. 2.40 million (2015: Rs. 0.34 million) during the year.

TCF UK, in which Mr. Tariq Raza Hussain (Director of the Foundation) is also a trustee, has donated Rs. 204.25 million (2015: Rs.146.59 million) during the year.

Transpak (Private) Limited, in which Mr. Mushtaq K Chhapra (Director of the Foundation) is also a director, has donated Nil (2015: Rs. 0.01 million) during the year.

United Distributors Pakistan Limited, in which Mr. Rashid Abdulla (Director of the Foundation) is also a director, has donated Rs. Nil (2015: Rs. 0.50 million) during the year.

25.2 Donations from Directors

		2016	2015
		(Rupees in '000)	
Adnan Asdar		20	-
Ahsan M Saleem		6,350	4,285
Ateed Riaz		-	50
Bushra Afzal		-	240
Ishaque Noor	25.3	-	1,023
Mushtaq K Chhapra	25.4	-	13
Musadaq Zulqarnain		500	-
Nilofer Saeed	25.4	-	1,105
Shahab Haider	25.3	428	-
Shahid Abdulla		850	400
Syed Asaad Ayub Ahmad		8	100
Tariq Raza Hussain	25.3	3,078	4,371

25.3 These directors were elected during the year pursuant to the Election of Directors dated 13 April 2016.

25.4 These directors retired during the year pursuant to the Election of Directors dated 13 April 2016.

25.5 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. 26.42 million (2015: Rs. 21.99 million) during the year. Key management personnel also donated to the Foundation from their salaries an amount of Rs. 1.30 million (2015: Rs. 0.18 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 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. 600.32 million (2015: Rs. 208.00 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	
	2016	2015	**2016**	2015
EUR to PKR	**115.5**	120.8	**116.1**	113.6
GBP to PKR	**153.7**	159.4	**140.1**	159.6
USD to PKR	**104.4**	101.3	**104.5**	101.5
CHF to PKR	**106.0**	107.4	**106.6**	109.4
AED to PKR	**28.4**	27.6	**28.5**	27.6

Sensitivity Analysis

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

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 were as follows:

	Effective interest rate		Carrying amount	
	2016	2015	**2016**	2015
Financial Assets	**(in Percent)**		**(Rupees in '000)**	
Fixed Rate Instruments				
Pakistan Investment Bonds	**6.22 - 12.50**	10.39 - 12.50	**1,457,747**	1,117,253

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 principal and / or the return 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's 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:

		2016	2015
		(Rupees in '000)	
Long term investments	6	**257,850**	213,376
Long term deposits		**12,736**	10,573
Short term investments	9	**1,379,745**	999,950
Bank balances	10	**275,105**	167,551
		1,925,436	1,391,450

None of the above financial assets were considered to be past due or impaired for the year ended 30 June 2016.

Investment in Debt Securities

At reporting date the Foundation has invested in Pakistan Investment Bonds, units of open and closed end mutual funds and term deposit receipts. The Foundation manages credit risk arising from 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 management believes that investment in Pakistan Investment Bonds 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 Foundation's total credit exposure. The Foundation'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:

	2016						
	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	**388,061**	**388,061**	**312,269**	**75,792**	-	-	-

	2015						
	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	397,763	397,763	49,996	347,767	-	-	-

26.4 Fair Value of Financial Instruments

Fair value is 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.

Underlying the definition of fair value is the presumption that the Foundation is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. units of closed end mutual funds are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Foundation is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Foundation to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).

- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

- Unobservable inputs for the asset or liability (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

On-balance sheet financial instruments

		2016								
		Carrying amount					Fair value			
		Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value										
Units of open end funds		-	136,709	-	-	136,709	136,709	-	-	136,709
Certificates of closed end funds		-	245,631	-	-	245,631	245,631	-	-	245,631
		-	382,340	-	-	382,340	382,340	-	-	382,340
Financial assets not measured at fair value	26.5									
Cash and Bank Balances		-	-	275,205	-	275,205	-	-	-	-
Term deposit receipts		-	-	1,255,255	-	1,255,255	-	-	-	-
Pakistan Investment Bonds		-	-	1,457,747	-	1,457,747	-	1,506,920	-	1,506,920
Accrued income and other receivables		-	-	90,640	-	90,640	-	-	-	-
Advances and prepayments		-	-	109,057	-	109,057	-	-	-	-
Long term deposits		-	-	12,736	-	12,736	-	-	-	-
		-	-	3,200,640	-	3,200,640	-	1,506,920	-	1,506,920
Financial liabilities not measured at fair value	26.5									
Endowment fund		-	-	-	1,864,982	1,864,982	-	-	-	-
Deferred income relating to operating fixed assets		-	-	-	4,447,313	4,447,313	-	-	-	-
Deferred income relating to school support, grants and children education		-	-	-	626,972	626,972	-	-	-	-
Accrued expenses and other liabilities		-	-	-	388,061	388,061	-	-	-	-
		-	-	-	7,327,328	7,327,328	-	-	-	-

On-balance sheet financial instruments		2015								
		Carrying amount					Fair value			
		Fair value through profit and loss	Available for sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)								
Financial assets measured at fair value										
Units of open end funds		-	48,004	-	-	48,004	48,004	-	-	48,004
Certificates of closed end funds		-	202,472	-	-	202,472	202,472	-	-	202,472
		-	250,476	-	-	250,476	250,476	-	-	250,476
Financial assets not measured at fair value	26.5									
Cash and Bank Balances		-	-	167,651	-	167,651	-	-	-	-
Term deposit receipts		-	-	962,850	-	962,850	-	-	-	-
Pakistan Investment Bonds		-	-	1,117,253	-	1,117,253	-	1,117,253	-	1,117,253
Accrued income and other receivables		-	-	76,328	-	76,328	-	-	-	-
Advances and prepayments		-	-	99,096	-	99,096	-	-	-	-
Long term deposits		-	-	10,573	-	10,573	-	-	-	-
		-	-	2,433,751	-	2,433,751	-	1,117,253	-	1,117,253
Financial liabilities not measured at fair value										
Endowment fund		-	-	-	1,369,911	1,369,911	-	-	-	-
Deferred income relating to operating fixed assets		-	-	-	3,851,765	3,851,765	-	-	-	-
Deferred income relating to school support, grants and children education		-	-	-	565,580	565,580	-	-	-	-
Accrued expenses and other liabilities		-	-	-	397,763	397,763	-	-	-	-
		-	-	-	6,185,019	6,185,019	-	-	-	-

26.5 The Foundation has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

26.6 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. RE-CLASSIFICATION

Following re-classifications have been made in these financial statements in order to give better and more appropriate presentation:

	From	To	2016	2015
			(Rupees in '000)	
Schools- medical insurance	Other School Expenses	Subsidies to TCF Schools	**10,682**	6,395
Electricity	Other School Expenses	Subsidies to TCF Schools	**6,375**	3,158
Schools registration and affiliation fees	Other School Expenses	Subsidies to TCF Schools	**1,088**	1,437

28. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on 11 August 2016.

Chief Executive Officer **Chairman**

The Citizens Foundation

Six Years' Vertical Analysis (Rs. In '000)

Balance Sheet	2016	%	2015	%	2014	%	2013	%	2012	%	2011	%
ASSETS												
Non-current assets												
Property and equipment	4,470,847	55%	4,110,780	59%	3,762,783	64%	3,321,063	70%	2,975,862	74%	2,631,054	75%
Intangible assets	7,411	0%	4,133	0%	4,206	0%	4,830	0%	5,971	0%	4,262	0%
Long term investments	1,251,287	16%	1,330,629	19%	712,832	12%	225,789	5%	112,463	3%	101,571	3%
Long term deposits	12,736	0%	10,573	0%	9,457	0%	8,811	0%	8,753	0%	2,482	0%
	5,742,281	71%	5,456,115	78%	4,489,278	76%	3,560,493	75%	3,103,049	77%	2,739,369	78%
Current assets												
Advances and prepayments	109,057	1%	99,096	1%	65,345	1%	63,536	1%	56,097	1%	41,937	1%
Accrued income and other receivables	90,640	1%	76,328	1%	26,629	0%	7,768	0%	9,596	0%	7,942	0%
Short term investments	1,844,055	23%	1,173,697	17%	1,231,308	21%	1,044,323	22%	798,577	20%	537,830	15%
Cash and bank balances	275,205	3%	167,651	2%	101,304	2%	77,961	2%	68,046	2%	174,140	5%
	2,318,957	29%	1,516,772	22%	1,424,586	24%	1,193,588	25%	932,316	23%	761,849	22%
Total assets	8,061,238	100%	6,972,887	100%	5,913,864	100%	4,754,081	100%	4,035,365	100%	3,501,218	100%
FUNDS AND LIABILITIES												
Capital fund	2,400	0%	2,200	0%	2,200	0%	2,100	0%	1,500	0%	1,500	0%
General fund	658,576	8%	656,815	9%	700,427	12%	763,911	16%	725,194	18%	755,618	22%
Surplus / (deficit) of income over expenditure for the year	8,443	0%	38,991	1%	(43,612)	-1%	(18,234)	0%	57,617	1%	(625)	0%
Unrealized gain on remeasurement of available for sale investments	64,491	1%	89,862	1%	151,375	3%	115,398	2%	20,351	1%	20,010	1%
	733,910	9%	787,868	11%	810,390	14%	863,175	18%	804,662	20%	776,503	22%
Non-current liabilities												
Endowment fund	1,864,982	23%	1,369,911	20%	972,922	16%	356,415	7%	184,202	5%	132,840	4%
Deferred income relating to operating fixed assets	4,447,313	55%	3,851,765	55%	3,429,332	58%	2,986,043	63%	2,575,088	64%	2,130,185	61%
Deferred income relating to school support, grants and children education	626,972	8%	565,580	8%	461,103	8%	367,561	8%	322,850	8%	360,535	10%
	6,939,267	86%	5,787,256	83%	4,863,357	82%	3,710,019	78%	3,082,140	76%	2,623,560	75%
Current liabilities												
Accrued expenses and other liabilities	388,061	5%	397,763	6%	240,117	4%	180,887	4%	148,563	4%	101,155	3%
Total funds and liabilities	8,061,238	100%	6,972,887	100%	5,913,864	100%	4,754,081	100%	4,035,365	100%	3,501,218	100%
Income and Expenditure Accounts												
INCOME												
Donations	2,527,049	99%	2,089,503	94%	1,641,888	93%	1,318,176	92%	1,120,390	90%	1,110,671	93%
Income on investment - net	24,295	1%	82,781	4%	72,932	4%	80,458	6%	91,498	7%	46,959	4%
Gain on disposal of fixed assets	11,692	0%	55,260	2%	47,245	3%	35,538	2%	35,644	3%	32,035	3%
	2,563,036	100%	2,227,544	100%	1,762,065	100%	1,434,172	100%	1,247,532	100%	1,189,665	100%
OPERATING EXPENDITURE												
Education Programme												
Subsidies to TCF schools	1,184,618	46%	1,010,192	46%	775,041	43%	623,187	43%	471,255	40%	413,126	35%
Books, copies, uniforms and other school supplies	289,052	11%	267,522	12%	216,720	12%	170,962	12%	140,713	12%	92,464	8%
Repair and maintenance charges	118,123	5%	77,117	4%	60,211	3%	41,671	3%	56,184	5%	30,801	3%
School vehicle running and maintenance	88,731	3%	91,002	4%	86,302	5%	85,414	6%	64,934	5%	47,945	4%
Teachers' training	62,290	2%	48,524	2%	42,362	2%	28,841	2%	37,209	3%	25,071	2%
School supervision and monitoring	177,209	7%	147,517	7%	121,983	7%	93,695	6%	79,324	7%	81,484	7%
Depreciation on school assets	355,164	14%	328,765	15%	285,678	16%	241,535	17%	209,033	18%	185,169	16%
Other school expenses	49,679	2%	28,098	1%	39,619	2%	33,416	2%	24,934	2%	18,980	2%
	2,324,866	91%	1,998,737	91%	1,627,916	90%	1,318,721	91%	1,083,586	91%	895,040	75%
Programme Administration												
Salaries and other benefits	111,391	4.4%	82,152	3.8%	76,224	4.2%	65,574	4.5%	49,069	4.1%	39,411	3.3%
Resource mobilization expenses	62,778	2.5%	61,266	2.8%	54,144	3.0%	27,497	1.9%	24,348	2.0%	18,169	1.5%
Vehicle running and maintenance	4,857	0.2%	4,000	0.2%	5,720	0.3%	4,452	0.3%	3,260	0.3%	3,772	0.3%
Travelling and conveyance	2,789	0.1%	2,089	0.1%	2,703	0.1%	2,618	0.2%	2,035	0.2%	2,427	0.2%
Utilities	4,923	0.2%	4,874	0.2%	4,239	0.2%	3,645	0.3%	2,954	0.2%	1,387	0.1%
Communication	3,378	0.1%	2,961	0.1%	4,149	0.2%	4,044	0.3%	3,792	0.3%	3,213	0.3%
Printing and stationery	3,685	0.1%	5,555	0.3%	3,879	0.2%	3,305	0.2%	3,793	0.3%	3,316	0.3%
Depreciation	18,735	0.7%	17,303	0.8%	15,036	0.8%	12,712	0.9%	11,002	0.9%	9,746	0.8%
Other expenses	17,191	0.7%	9,616	0.4%	11,667	0.6%	9,838	0.7%	6,076	0.5%	213,809	18.0%
	229,727	9.0%	189,816	8.7%	177,761	9.8%	133,685	9.2%	106,329	8.9%	295,250	24.8%
Total Operating Expenditure	2,554,593	100%	2,188,553	100%	1,805,677	100%	1,452,406	100%	1,189,915	100%	1,190,290	100%
Surplus / (deficit) of income over expenditure for the year	8,443		38,991		(43,612)		(18,234)		57,617		(625)	

The Citizens Foundation

Six Years' Horizontal Analysis (Rs. In '000)

Balance Sheet	2016	16vs15 %	2015	15vs14 %	2014	14vs13 %	2013	13vs12 %	2012	12vs11 %	2011	11vs10 %
ASSETS												
Non-current assets												
Property and equipment	4,470,847	9%	4,110,780	9%	3,762,783	13%	3,321,063	12%	2,975,862	13%	2,631,054	10%
Intangible assets	7,411	79%	4,133	-2%	4,206	-13%	4,830	-19%	5,971	40%	4,262	97%
Long term investments	1,251,287	-6%	1,330,629	87%	712,832	216%	225,789	101%	112,463	11%	101,571	37%
Long term deposits	12,736	20%	10,573	12%	9,457	7%	8,811	1%	8,753	253%	2,482	3%
	5,742,281	5%	5,456,115	22%	4,489,278	26%	3,560,493	15%	3,103,049	13%	2,739,369	11%
Current assets												
Advances and prepayments	109,057	10%	99,096	52%	65,345	3%	63,536	13%	56,097	34%	41,937	61%
Accrued income and other receivables	90,640	19%	76,328	187%	26,629	243%	7,768	-19%	9,596	21%	7,942	244%
Short term investments	1,844,055	57%	1,173,697	-5%	1,231,308	18%	1,044,323	31%	798,577	48%	537,830	5280%
Cash and bank balances	275,205	64%	167,651	65%	101,304	30%	77,961	15%	68,046	-61%	174,140	-48%
	2,318,957	53%	1,516,772	6%	1,424,586	19%	1,193,588	28%	932,316	22%	761,849	104%
Total assets	8,061,238	16%	6,972,887	18%	5,913,864	24%	4,754,081	18%	4,035,365	15%	3,501,218	23%
FUNDS AND LIABILITIES												
Capital fund	2,400	9%	2,200	0%	2,200	5%	2,100	40%	1,500	0%	1,500	7%
General fund	658,576	0%	656,815	-6%	700,427	-8%	763,911	5%	725,194	-4%	755,618	-3%
Surplus / (deficit) of income over expenditure for the year	8,443	-78%	38,991	-189%	(43,612)	139%	(18,234)	-132%	57,617	9319%	(625)	-98%
Unrealized gain on remeasurement of available for sale investments	64,491	-28%	89,862	-41%	151,375	31%	115,398	467%	20,351	2%	20,010	279%
	733,910	-7%	787,868	-3%	810,390	-6%	863,175	7%	804,662	4%	776,503	2%
Non-current liabilities												
Endowment fund	1,864,982	36%	1,369,911	41%	972,922	173%	356,415	93%	184,202	39%	132,840	31%
Deferred income relating to operating fixed assets	4,447,313	15%	3,851,765	12%	3,429,332	15%	2,986,043	16%	2,575,088	21%	2,130,185	18%
Deferred income relating to school support, grants and children education	626,972	11%	565,580	23%	461,103	25%	367,561	14%	322,850	-10%	360,535	177%
	6,939,267	20%	5,787,256	19%	4,863,357	31%	3,710,019	20%	3,082,140	17%	2,623,560	29%
Current liabilities												
Accrued expenses and other liabilities	388,061	-2%	397,763	66%	240,117	33%	180,887	22%	148,563	47%	101,155	122%
Total funds and liabilities	8,061,238	16%	6,972,887	18%	5,913,864	24%	4,754,081	18%	4,035,365	15%	3,501,218	23%
Income and Expenditure Accounts												
INCOME												
Donations	2,527,049	21%	2,089,503	27%	1,641,888	25%	1,318,176	18%	1,120,390	1%	1,110,671	60%
Income on investment - net	24,295	-71%	82,781	14%	72,932	-9%	80,458	-12%	91,498	95%	46,959	185%
Gain on disposal of fixed assets	11,692	-79%	55,260	17%	47,245	33%	35,538	-0.3%	35,644	11%	32,035	307%
	2,563,036	15%	2,227,544	26%	1,762,065	23%	1,434,172	15%	1,247,532	5%	1,189,665	66%
OPERATING EXPENDITURE												
Education Programme												
Subsidies to TCF schools	1,184,618	17%	1,010,192	30%	775,041	24%	623,187	32%	471,255	14%	413,126	45%
Books, copies, uniforms and other school supplies	289,052	8%	267,522	23%	216,720	27%	170,962	21%	140,713	52%	92,464	43%
Repair and maintenance charges	118,123	53%	77,117	28%	60,211	44%	41,671	-26%	56,184	82%	30,801	133%
School vehicle running and maintenance	88,731	-2%	91,002	5%	86,302	1%	85,414	32%	64,934	35%	47,945	18%
Teachers' training	62,290	28%	48,524	15%	42,362	47%	28,841	-22%	37,209	48%	25,071	62%
School supervision and monitoring	177,209	20%	147,517	21%	121,983	30%	93,695	18%	79,324	-3%	81,484	21%
Depreciation on school assets	355,164	8%	328,765	15%	285,678	18%	241,535	16%	209,033	13%	185,169	19%
Other school expenses	49,679	77%	28,098	-29%	39,619	19%	33,416	34%	24,934	31%	18,980	62%
	2,324,866	16%	1,998,737	23%	1,627,916	23%	1,318,721	22%	1,083,586	21%	895,040	37%
Programme Administration												
Salaries and other benefits	111,391	36%	82,152	8%	76,224	16%	65,574	34%	49,069	25%	39,411	20%
Resource mobilization expenses	62,778	2%	61,266	13%	54,144	97%	27,497	13%	24,348	34%	18,169	7%
Vehicle running and maintenance	4,857	21%	4,000	-30%	5,720	28%	4,452	37%	3,260	-14%	3,772	12%
Travelling and conveyance	2,789	34%	2,089	-23%	2,703	3%	2,618	29%	2,035	-16%	2,427	60%
Utilities	4,923	1%	4,874	15%	4,239	16%	3,645	23%	2,954	113%	1,387	39%
Communication	3,378	14%	2,961	-29%	4,149	3%	4,044	7%	3,792	18%	3,213	35%
Printing and stationery	3,685	-34%	5,555	43%	3,879	17%	3,305	-13%	3,793	14%	3,316	39%
Depreciation	18,735	8%	17,303	15%	15,036	18%	12,712	16%	11,002	13%	9,746	19%
Other expenses	17,191	79%	9,616	-18%	11,667	19%	9,838	62%	6,076	-97%	213,809	923%
	229,727	21%	189,816	7%	177,761	33%	133,685	26%	106,329	-64%	295,250	229%
Total Operating Expenditure	2,554,593	17%	2,188,553	21%	1,805,677	24%	1,452,406	22%	1,189,915	-0.03%	1,190,290	60%
Surplus / (deficit) of income over expenditure for the year	8,443	-78%	38,991	-189%	(43,612)	139%	(18,234)	-132%	57,617	-9319%	(625)	-98%

Code of Conduct and Governance Policies



Employee Code of Conduct

To ensure a successful and positive environment in our workspace, a code of conduct has been put in place where the following activities can result in disciplinary action:

- Consistent lack of punctuality
- Giving illegal/unreasonable direction to others
- Unjustified/unauthorised absenteeism
- Using influence or external pressure for promotion, transfer or induction
- Unsatisfactory/negligent performance
- Conduct that violates decency and morality
- Smoking at non-designated areas
- Theft of any of the properties/assets of the Foundation
- Breaking of safety regulations
- Habitual resting/sleeping during office timings
- Breach of privacy and/or trust
- Bullying/intimidation/uncalled for behaviour/mental and gender harassment
- Misusing confidential information/record
- Discrimination on basis of caste, creed, religion & gender
- Falsification of records
- Undue patronage/nepotism (favouritism)
- Offering/accepting bribes and gifts
- Using office timings and/or resources for personal use
- Intentional damage to the Foundation's property
- Mishandling/misusing the Foundation's resources and property
- Reporting on duty drugged or intoxicated
- Activities bringing disrepute to the Foundation
- Inappropriate public comment and/or rumour mongering
- Use or possession of arms and explosives
- Insubordination/failure to obey legitimate instruction

Whistle Blowing Policy

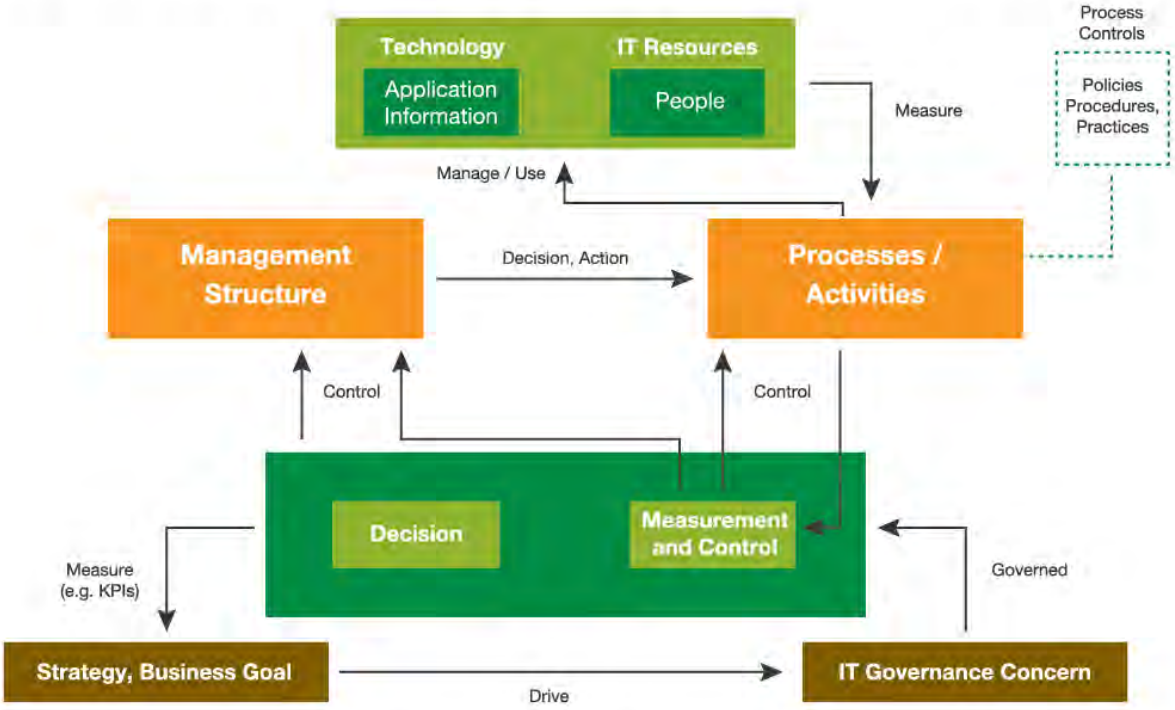
TCF has implemented a Whistle Blowing Policy with effect from 01 July 2014 as part of its broader efforts to ensure that all employees adhere to guidelines laid out in the Foundation's Code of Conduct. This policy has laid out procedures for lodging, handling and reporting of concerns whilst also ensuring the protection of a whistle blower's identity. Monitoring of the effectiveness and compliance of the Whistle Blowing Policy has to be carried out by the Audit Committee. During the year ended 30 June 2016, one complaint was reported to the Whistle Blowing Unit and to the Audit Committee, which was duly resolved.

Operational Continuity Planning & Procedures for Data Protection

As part of its efforts to ensure continuity of operations, an action plan has been formulated with the aim of preventing breakdown of the Foundation's operations or restoring them in as little time as possible if interrupted due to some unexpected event or natural disaster. TCF has formulated detailed Standard Operation Procedures (SOPs) for backup of important assets of the Foundation including its virtual data. By centralising all major business processes using Enterprise Resource Planning software i.e. Microsoft Dynamics Great Plains (MDGP), the Foundation has developed a well-organised IT backup plan. In order to ensure safety and round-the-clock availability of data, TCF has implemented systems, applications and network infrastructure at different locations simultaneously. TCF has ensured that all critical data and information remains intact at all times to ensure operational continuity by effective backup plan and periodical testing.

IT Governance

TCF has an IT Governance policy that outlines the chain of responsibility, authority and communication across the Foundation.



Mechanism for Providing Information to the Board

Formal Reporting Line

There are four regions of the Foundation, each headed by a Regional Manager (RM). In addition to this there are two new regions dedicated for public private partnership under the Government Schools Programme. The RMs are responsible for the performance of their respective Regions and the VP Operations at the Head Office (HO) has access to RMs for any required information pertaining to the respective region for the purpose of supervision and monitoring. Further information regarding any matter of concern or recommendation is put forward by the CEO to the respective committees of the Board.

Employees

We believe in a culture of openness and freedom of expression. We do this by providing several forums to the employees to communicate their valuable suggestions and feedback to the management and the Board. TCF has provided a server based Improvement Opportunity System (IOS) accessible to all employees allowing them to share their feedback, concerns and recommendations directly with the CEO and Head of the Departments.

Donors

The Foundation has provided its contact details and other information to facilitate donors on its website www.tcf.org.pk

Managing Conflict of Interest

As per the provisions of the Companies Ordinance, 1984, every Director is required to provide the Board with complete details

regarding any material transaction which may cause conflict of interest with the Foundation, for prior approval of the Board. The interested Director(s) do not participate in the discussion nor do they vote on such matters. For better governance, all Head of Departments of the Foundation provide specifics of any material transaction which may cause any conflict of interest with the Foundation.

The transactions with all the related parties are made on an arms-length basis and complete details are provided to the Board for their approval. Furthermore, all transactions with the related parties are fully disclosed in the financial statements of the Foundation.

Quality Control Measures

The Quality Assurance (QA) team reinforces accountability, transparency and organisational learning of all stakeholders through systematic evaluation of educational policies, programmes and processes. To assess the quality of students' learning the team has developed a systematic centralised assessment system. The QA team conducts two centralised exams (Mid Term and Final Term) in an academic year. Students' results are entered into MIS for report generation and future planning.

Risk Mitigation Plan

Risk	Mitigation Plan
Internal Controls	A robust internal control system is in place that is continuously monitored by the Foundation's Internal Audit Function and through other monitoring procedures.
Reputation Management	Protect Foundation's brand assets and ensure the provision of high quality services. Establish strong internal controls and reinforce the code of conduct for the management and staff.
Employee Recruitment and Retention	Strong emphasis on the Foundation's Human Resource and its skill set. We operate the best talent management and human resource instruments to attract, retain, motivate, educate and nurture personnel and staff.
Investment Risk	Diversified investment policy and active management of its portfolio to match the required risk profiles.
Currency Risk	Close monitoring of currency markets.
Cost and Availability of Funds	Diversified sources of funds.

Procedures Adopted for Stakeholder Engagement

The Foundation recognises and respects the rights of each and every stakeholder including members, employees, financial institutions, creditors, business partners, local communities and others. The Foundation is also cognizant of its legal and constructive obligations towards its stakeholders and takes their input into consideration.

Regulators
TCF continually engages with Government of Pakistan (GoP) and other regulatory bodies at local, provincial and federal levels on various education related matters and issues.

Media
TCF engages with media through press briefings and press releases as and when required.

Other Stakeholders
Other stakeholders include donors, bankers, suppliers and employees. TCF engages with these stakeholders on a regular basis through meetings and other ways of correspondence.

Role of Chairman and CEO



Role of Chairman

The Chairman of the Board of Directors ensures that the organisation keeps true to its long-term vision. Responsible for leadership of the Board, the Chairman ensures that the Board plays an effective role in fulfilling all its responsibilities. The Chairman's role entails the following:

- Ensure that all members of the Board participate in all meetings and have the opportunity to explain their opinion.
- Ensure that dissent of Directors, if any, is properly recorded in the minutes.
- Ensure that minutes truly reflect what is transpired during the meetings.
- Ensure that the Board discharges its role effectively and swiftly in line with regulatory requirements.
- Ensure that the Board sub-committees perform their designated functions with due diligence.

Role of President and CEO

The role of the President and CEO constitutes an absolutely engaged position, demanding complete involvement in leading the organization. The role entails the following:

- Ensure execution of the strategy developed by the Board.
- Ensure that the Foundation maintains its business position and brand image as one of the leading non-profit organisations of the country.
- Allocate and manage organisational resources and budgets to achieve long-term strategic goals of the organisation.
- Establish a system of checks and controls to support the fast-paced growth of the Foundation.
- Provide liaison between the Board and the management to ensure alignment of managerial efforts with the Board's directives.
- Foster a culture of professionalism and high ethical standards within the Foundation.
- Facilitate an organisational culture of continuous improvement to ensure quality educational outcomes and better donor service.

President and CEO's Performance Review

The President and CEO of The Citizens Foundation is responsible for supervising and leading the strategic and managerial affairs of the organisation. Various elements of the President and CEO's performance are monitored and discussed periodically by the Board. As leader of the organisation and executor of its long-term strategy approved by the Board, the President and CEO is evaluated on parameters such as governance and compliance, business processes and policies, financial performance, people management and facilitating the desired organisational culture of integrity, ownership and continuous improvement.

Calendar of Major Events

Incorporation of the Foundation	24 September 1996

Financial Calendar

Financial year 2015-16	Date of Issuance	Financial year 2014-15	Date of Issuance
1st Quarter Results	30 October 2015	1st Quarter Results	30 October 2014
2nd Quarter Results	12 February 2016	2nd Quarter Results	12 February 2015
3rd Quarter Results	29 August 2016	3rd Quarter Results	30 August 2015
Annual Results	11 August 2016	Annual Results	12 August 2015
20th Annual General Meeting	Scheduled on 19 October 2016	19th Annual General Meeting	15 October 2015

Definition and Glossary of Terms

Abbreviation	Description
AFS	Available For Sale
Board	Board of Directors
CDC	Central Depository Company of Pakistan
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CCG	Code of Corporate Governance
ERP	Enterprise Resource Planning
FBR	Federal Board of Revenue
GoP	Government of Pakistan
HFT	Held for Trading
HRRC	Human Resource and Remuneration Committee
HR	Human Resource
HSE	Health, Safety and Environment
HTM	Held to Maturity
IAS	International Accounting Standards
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IT	Information Technology
KIBOR	Karachi Inter-Bank Offer Rate
NBV	Net Book Value
NRV	Net Realisable Value
SECP	Securities and Exchange Commission of Pakistan
SR	Social Responsibility
TCF	The Citizens Foundation
TFC	Term Finance Certificate

Contact Information

TCF Head Office - Karachi
TCF Head Office - Karachi
Contact Person: Neelam Habib
Address: Plot No. 20, Sector - 14, (near Brookes Chowrangi)
Korangi Industrial Area, 74900, Karachi - Pakistan
Phone: +92-21-111-823-823
Fax: +92-21-35113460
Email: info@tcf.org.pk

TCF Regional Office - Lahore
Contact Person: Brig (R) Abdul Qayyum
Address: 45-F, Mustafa Centre, First Floor
Gulberg II, Lahore - Pakistan
Phone: +92-42-35787932-6
Email: a.qayyum@tcf.org.pk

TCF Regional Office - Islamabad
Contact Person: Shirrin Bilal
Address: Regional Office (NW), Service Road, Gangal West
Fazayia Colony (PO Fazayia), Rawalpindi - Pakistan
Phone: +92-51-4578228, +92-51-4578229
Email: shirrin.bilal@tcf.org.pk

TCF Chapters and Support Groups

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Website: www.tcfaustralia.org

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g.romigcrosti@italianfriends-tcf.org
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United Arab Emirates - Dubai
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Fax: +971-4-3681097
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United Arab Emirates - Abu Dhabi
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Fax: +971-4-3681097t

United Kingdom
Contact Person: Shazia Syed
Address: The Citizens Foundation (UK)
48 Charlotte Street, London W1T 2NS
Phone: +44-(0)-20-3585-3011 / 12
Email: shazia.syed@tcf-uk.org
Website: www.tcf-uk.org

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Phone: +1-312-543-3917
Email: danial.noorani@tcfusa.org
Website: www.tcfusa.org

Help Us Educate

Support

Educate-a-Child
Rs. 1,250 / month
Rs. 15,000 / year

Educate-a-Child KG to Matric
Rs. 165,000

Sponsor-a-Classroom
Rs. 30,000 / month
Rs. 360,000 / year

Support-a-School
Rs. 185,000 / month
Rs. 2,200,000 / year

Set of School Books
Rs. 1,000 / set

Re-Stocking a Library
Rs. 100,000

Replacement of School Furniture
Rs. 300,000

Sponsor a Van
Rs. 850,000

Endowment

Lifetime Support for a School
Rs. 22,000,000

Scholarships

Scholarship for Intermediate Level Studies
Rs. 18,000

Scholarship for Higher Education
Rs. 600,000

Build-a-School

Build-a-Primary School
Build Cost Rs. 17,100,000
Three year support cost Rs. 7,300,000
Total Cost Rs. 24,400,000

Build-a-Secondary School
Build Cost Rs. 18,300,000
Three year support cost Rs. 7,300,000
Total Cost Rs. 25,600,000

Funds

Genral Build Fund
Any amount

General Education Fund
Any amount

General Endowment Fund
Any amount

Innovation in Education Fund
Any amount

Community Development Fund
Any amount

Alumni Scholarship Fund
Any amount

Notes Related to Build-a-School

- Costs are for build cycle of 2016-17 and are subject to revision. Rates are calculated on average construction costs and may vary for different locations.
- A school construction project can only be taken up with the provision of school support for a minimum of three years (included in the figures cited above).
- All school construction projects in earthquake zones will take into account additional costs for special earthquake resistant architecture.



TCF Baghbaan

Our recurring pledge programme

'Baghbaan' is the Urdu word for gardener.

Someone who nurtures young seedlings as they grow and mature.
Someone who cares for them and continuously provides what they need to flourish.
A gardener is someone who can imagine the garden before it has blossomed and will invest in its promising future.

Educating a child also takes years of constant and continuous care. As we, at TCF, plant our schools – our gardens of hope, in urban slums and rural communities across Pakistan, we need supporters who share our belief in the amazing potential of every child.

We invite you to make a pledge for monthly or yearly support and keep our children in school. How many young lives will you transform?

Educate-a-Child

Rs. 1,250 / month
Rs. 15,000 / year

Sponsor-a-Classroom

Rs. 30,000 / month
Rs. 360,000 / year

Support-a-School

Rs. 185,000 / month
Rs. 2,200,000 / year

Easy Ways to Give



Doorstep Collection

Call **(021) 111-823-823** for collection of your cheque and/or donation form right from your doorstep.

Donate by Cheque

Send us your donation cheque in favour of The Citizens Foundation at **Plot No. 20 Sector 14, Korangi Industrial Area Karachi - Pakistan**

Donate Online

Make a one-time contribution or set up a recurring monthly or yearly donation online at **support.tcf.org.pk**

Direct Deposit

Deposit or transfer your Zakat or donations directly into our bank accounts. Details at **tcf.org.pk/donation-information**

Raise Funds Online

Start fundraising for TCF by creating your own digital campaign or teaming up with your friends at **support.tcf.org.pk**

Benefit to Donor

Tax Exemption on Donation to The Citizen Foundation

Through Finance Act, 2012, the name of The Citizens Foundation has been added in new sub-clause (ia) of clauses (61) of Part 1 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 for 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 for the year.

Donation Form

Yes, I want to help educate a child!

Name

Address

Mobile

Email

☐ I wish to remain anonymous. ☐ Please treat my contribution as 'Zakat'.

Method 1 Pledge to Donate through your Credit Card

☐ Please charge Rs. _____ from my credit card.

☐ Every Month (until instructed otherwise)
☐ Once a Year (until instructed otherwise)
☐ Only once

Name on Card

Card Number

(mm / yyyy)

Card Expiry Date

Signature

Method 2 Pledge to Donate through Cheque Pick-up

☐ Please collect a cheque of Rs. _____
in favour of 'The Citizens Foundation' from my address.

☐ Every Month (until instructed otherwise)
☐ Once a Year (until instructed otherwise)
☐ Only once

Signature

Method 3 Pledge to Donate Directly from your Bank Account

☐ Please debit Rs. _____ from my/our account.

☐ Every Month (until instructed otherwise)
☐ Once a Year (until instructed otherwise)
☐ Only once

Donor's Account Title

Donor's Account Number

Bank

Branch

Please transfer these funds to the The Citizens Foundation's account maintained with your bank, details of which are indicated below:

☐ Al-Baraka Bank
Korangi Branch,
Karachi
A/c no.: 0113110949014

☐ Faysal Bank Ltd.
Shahrah-e-Faisal Branch
Karachi
A/c no.: 01311490008983

☐ MCB Bank Ltd.
Bahadurabad Branch
Karachi
A/c no.: 73032551000981

☐ Bank Al Habib Ltd.
Shahrah-e-Faisal Branch,
Karachi
A/c no.: 1003-0081-052119-02-7

☐ Habib Metropolitan Bank Ltd.
Main Branch
Karachi
A/c no.: 6-1-1-20614-714-465412

☐ NIB Bank Ltd.
Kulsoom Court Branch
Karachi
A/c no.: 1729667

☐ Dubai Islamic Bank Ltd.
Gizri Branch, Karachi
A/c no.: 12651003

Account Holder's Signature

Joint Account Holder's Signature

"I hereby undertake to keep the Bank indemnified and harmless from any loss, damage and claim, if incurred by me or any other third party, in result of Bank acting according to my instructions."

Please courier this form at The Citizens Foundation, Plot No. 20, Sector 14, Korangi Industrial Area, Karachi, Pakistan or call us at (021) 111-823-823 to have it collected from your doorstep

We are grateful to all our photographers for making pro bono contributions to this Annual Report.

Alina Kazmi
Murtuza Khoso
Mustafa Ilyas
Taha Zuberi
Wahaj Alley

Concept and Design
The Art Store
www.theartstore.com.pk

Design Support
TCF Marketing Department

ابھی گرانیِ شب میں کمی نہیں آئی
نجاتِ دیدۂ و دل کی گھڑی نہیں آئی
چلے چلو کہ وہ منزل ابھی نہیں آئی

فیض احمد فیض

Night's heaviness is unlessened still
The hour of mind and spirit's ransom has not struck
Let us go on, our goal is not reached yet

Faiz Ahmed Faiz
Translated by Victor G. Kiernan

Designed by The Art Store

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