

20 YEARS OF BELIEVING IN PAKISTAN

ANNUAL REPORT 2015

The true strength of a nation lies with its citizens – people who are aware, responsible and have faith in their ability to drive change for the better.

Twenty years ago, The Citizens Foundation began as a result of such faith on the part of ordinary citizens. Today, 1,060 school units later, our journey reflects the intense desire of thousands of Pakistanis around the world to see their homeland emerge from the darkness of ignorance and illiteracy.

Together, we believe in the amazing potential of every child who walks into a TCF school every morning, and the many million others who do not have the same opportunity.

We believe that these children can become productive members of their communities and empowered agents of positive change in this country.

We Believe in Pakistan!



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.

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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 (TCF) is a professionally managed, non-profit organization set up in 1995 by a group of citizens who wanted to bring about positive social change through education.

20 years later, TCF is now one of Pakistan's leading organizations 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 organization ensures that girls represent nearly 50% of overall student enrollment.

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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

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





20 YEARS

1,060 SCHOOL UNITS

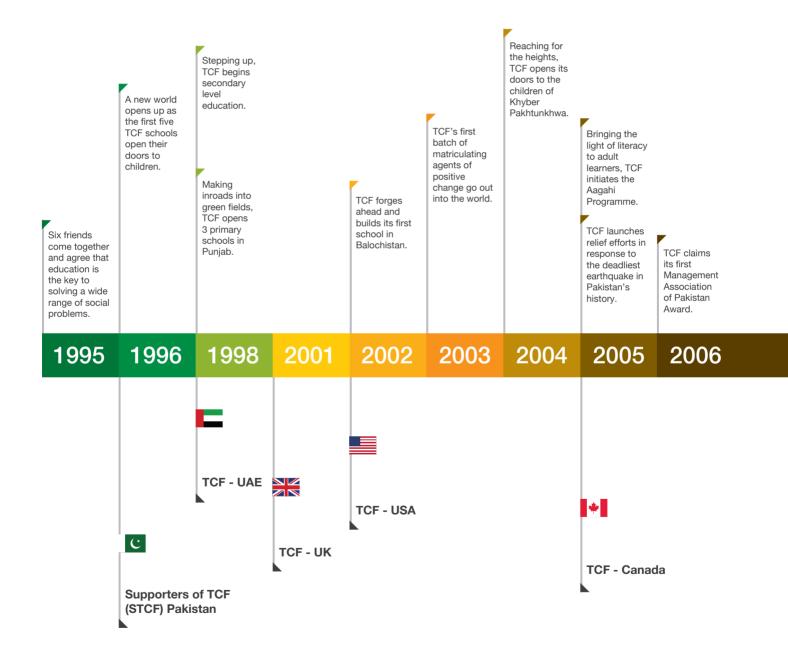
165,000 CHILDREN currently enrolled

BILLION

hours spent by our children in school and off the streets

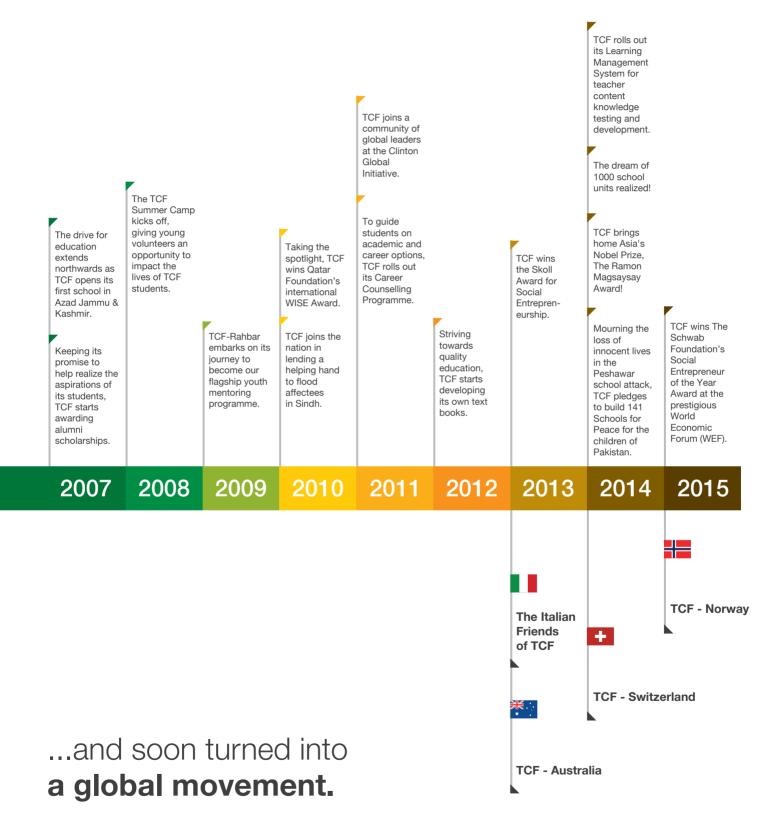
20 Years of Believing

The journey of a thousand schools **began with a single idea...**



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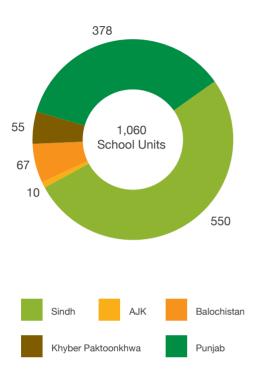
IN PAKISTAN



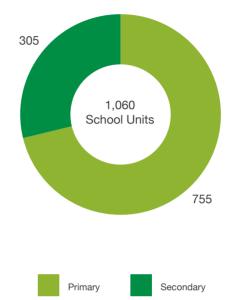
TCF School Network

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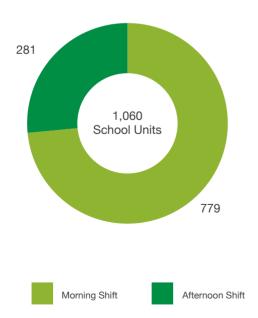
Provincial Breakup of Schools

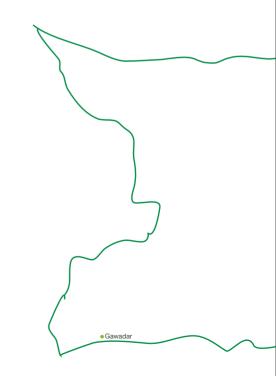


Breakup of Schools by Primary - Secondary Level I_



Breakup of Schools by Shift





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Sillanwali Chiniote Shekhupura Mirzewala M	sujranwala Marowal Suzwala Churian Nightar Town Pattoki Lahora ti Racha Kishan	
•Kot Mithan	Year	Towns and Cities
	1996-98	01
Dera Murad Jamali • Kandhkot • Rahimyar Khan • Jacobabad Daharki •	2000	05
Sukkur e • Rohri	2002	13
Pato Dero Khairpur Larkana Saleh Pat	2004	21
Gambat Gambat	2006	42
Johi Pacca Chang	2008	63
Moro Praca Unang Nowsherferoz	2010	68
Sewan Qazi Ahmed Sanjhoro Matiari Matiari Matiari	2011	83
Vinder Gadani Gadani	2012	93
	2013	97
● Orangi ● Matti ● Kegamari ● Glagar Phatak ● Bulri Shah Karim Korande ■ New Karachi	2014	107
•Keamari eChagar Phatake Bulri Shah Karim Korangr Karachi Lanktin €Saddar eGadap eThatte Badin Natire Bin Qasim ●Mirpur Sakro	2015	109
Keti Banda •Ghora Bari •Jhangesar		

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From Slum Wanderer **TO POLICY MAKER**

TCF Alumna Uzma Salim kept her aims impossibly high and worked incredibly hard to achieve them.

TCF is undoubtedly transforming thousands of lives of underprivileged Pakistani children, and I proudly stand as 'one' amongst them. I'm humbled to share my story with you and our TCF family.

My family migrated from Goth Jaan Muhammad Arain in interior Sindh to Karachi and started to live in a slum near my father's workplace in the North Karachi Industrial Area. There was no school in my area — neither government nor private. It was my parents' strong wish to send me to school but the nearest one was a 45 minutes' walk away, and no one else in the community was willing to send their children that far since education was considered a luxury. After thinking a lot, at last my parents admitted me in the same school. This led two other families to follow our example, and three other children and I began to walk together to school, 45 minutes each way.

When I was in grade seven, TCF opened a secondary school in our goth (village) and the TCF Principal and teachers visited our house as well as several other houses in our community to convince people to send their children to school. I was a victim of poor quality education in my public school. In TCF, I started learning everything from the difference between small and capital letters to reading and writing. It was a challenging task for my teachers to teach me from scratch but I salute them for sticking with it. Aside from school, I helped my mother at home in stitching clothes as my father's salary was barely enough to fulfill our basic family needs. I completed my matriculation in 2003, part of TCF's first graduating batch.

I secured an 'A' grade in the Karachi Board of Secondary Education exams, topping in my campus and coming second among all TCF graduates that year. Thanks to my teachers, I became the first girl in my community and family to go to college. My humble background was in my way, but TCF again came to my help and arranged a scholarship. During college I began giving tuitions to pay for my daily transport fare and book expenses.

"In TCF, I started learning everything from the difference between small and capital letters to reading and writing. It was a challenging task for my teachers to teach me from scratch but I salute them for sticking with it." I completed my B.Sc. in Mathematics and Statistics in First Division from the University of Karachi, and started teaching English in the TCF Primary School in Saaendad Goth. After three years of working with TCF as teacher and teachers' trainer, my passion to move forward motivated me to do an MBA. I burned the midnight oil and finally got admission in an MBA program at Bahria University, Karachi. I can never forget the day when I went to Bahria for admissions. I did not know how to operate a laptop, and the application had to be completed online. I requested the lab attendant for help but he advised me not to do an MBA if I didn't even know how to work on a laptop.

Later on, I not only learnt computer skills but also secured the highest cumulative GPA in my batch, and was rewarded with a 50% merit scholarship from the University. TCF continued to pay my remaining fees and I kept giving tuitions to manage other expenses.

Given my academic record, the University referred my name to the State Bank of Pakistan for its Summer Internship Program. During the internship, I decided to become a part of the state machinery in Civil Services. I found out about the tough selection criteria of the Government's Central Superior Services (CSS) Examination and started preparing for it along with my MBA. I had three major challenges at this time — I had to maintain my GPA so I could continue receiving my merit scholarship every semester; I had to prepare myself to compete with more than 13,000 CSS candidates; and I had to also continue giving tuitions to bear my additional study expenses. For the next two years, through many tiring days and sleepless nights, I felt the real taste of perseverance and determination. But after this struggle, my dreams gradually started coming true.

"I stood 17th among all 13,000 candidates, and was assigned to the Pakistan Audit and Accounts Services as an Assistant Accountant General."

The first was when I topped in my MBA final exams and was nominated for a gold medal. Then my research paper, titled 'Responsible Socially is Viable Financially' was published in the international 'European Scientific Journal'. And finally, I passed the extremely tough selection process of CSS - 2014. The day I saw my name among the 233 candidates shortlisted from 13,000 applicants was a big day in my life. I stood 17th among all 13,000 candidates, and was assigned to the Pakistan Audit and Accounts Services as an Assistant Accountant General.

I don't have enough words to thank TCF's Founding Directors, donors, supporters, volunteers and management. But I am pleased to inform them that thanks to them, a humble agent of change has started her journey in the policy making corridors of Pakistan, and is ready to promote positive change in this country. Thank you TCF for turning a slum-wanderer into a policy-maker!





A STORY OF Extraordinary Resilience

From Landi Kotal to Europe, with dreams and a fistful of sand.

Zafar Ali belongs to a family of humble means hailing from Landi Kotal, the headquarters of Khyber Agency, deep in the heart of Pakistan's Federally Administered Tribal Areas (FATA) and just five kilometres from the border with Afghanistan. His father is a truck driver and Zafar has seven sisters and two young brothers in Kindergarten. In December 2009, shortly after he completed his primary schooling, Zafar's family were forced to move out of their home town due to a family feud and the general law and order situation in their area. Soon after arriving in Karachi, Zafar was admitted to The Citizens Foundation's Yusuf Khan Campus at Hawke's Bay close to his family's new home. "That school changed my life" he says. "They had good teachers and supported us financially. When I was leaving the school, I hid a fistful of sand from the playground in my pocket. I still have that sand and school uniform with me to this day." In 2013, Zafar completed his Matriculation with an A+ grade (85%) and was admitted to the prestigious D. J. Science College.

Despite all his hard work, what happened next took Zafar completely by surprise. "I was told about applying to the prestigious United World College (UWC) scholarship to continue my education. But when I saw the competition, I got scared. People should dream but they shouldn't dream so big. At each stage of the selection process, I would think it's over now. When they told me I got the scholarship to study in Singapore, I couldn't believe it." "At each stage of the selection process, I would think it's over now. When they told me I got the scholarship to study in Singapore, I couldn't believe it."



"I had to apply for a Singapore visa but I had never made my travel documents before," he shares. "I didn't even have a computer, internet or phone from which I could check email or learn how to do things. So I used to take a one-hour bus ride to go to an internet cafe, where I would print documents and then go back one hour to get them signed. I used to stand in government offices by myself as even my father or mother couldn't guide me. One day, I went to the police to get a character certificate and they told me I was a terrorist because I came from FATA. In the end, my visa application for Singapore was rejected."

"I didn't even have a computer, internet or phone from which I could check email or learn how to do things. So I used to take a one-hour bus ride to go to an internet cafe."



Even the rejection of the visa didn't deter Zafar. He went on to get admission into a different UWC campus in Mostar, Bosnia & Herzegovina and is currently studying in the International Baccalaureate (BI) programme there. Despite the visa problems and his late arrival at the campus, he has made up for lost ground and his progress during the first year places him well in comparison to the rest of his class. Zafar intends to complete his IB in 2016 and hopes to pursue further education abroad.

Zafar intends to complete his IB in 2016 and hopes to pursue further education abroad.

We asked Zafar what kept him going through all the challenges that came his way. He didn't have an older cousin, parent or friend guiding him through the process or showing him the light at the end of the tunnel. "Our dreams are still too small," he says. "What we imagine we can accomplish in life is so small compared to what we're actually capable of. I worked hard to get educated so I can bring education to FATA. I'm not saying I can change everything, but maybe, I can guide at least one other person like me."

This story has been condensed from an article that was published in Express Tribune







CHOOSING PENCILS instead of begging bowls

Zofeen T. Ibrahim

In a tiny, remote village, education sweeps away age-old barriers of class and privilege.

Khalil Ahmed's life story sounds like it could have come straight out of the plot of a Bollywood flick, but it didn't. And that makes it all the more inspiring.

Residents of the sleepy town of Gambat, 500 km outside of the Pakistani port city of Karachi, where Khalil was an all too familiar face, may not recognise the 12-year-old today. Wearing a clean, pressed uniform, with polished shoes, neatly combed hair and immaculately trimmed fingernails, he is a far cry from the scrawny, bedraggled boy of eight who, just four years ago, could be seen clutching his grandmother's hand, pleading for alms on the streets of Gambat. Sometimes he would beg outside TCF's Behram Rustomji Campus – the school where he is now enrolled as a pupil. Today, his fourth grade teachers say he is one of the brightest kids in his class of 20 students.

Khalil lives in Pipri village, located 45 km away from the city of Sukkur in Sindh province, where 95 per cent of the roughly 1,000 households earn their living by begging on the streets.

Prior to enrolling at the Behram Rustomji Campus, Khalil was the product of the vast inequalities that plague Pakistani society. The situation is worse for street children, who in order to help their destitute families make ends meet, are forced to wander for hours eliciting spare change. The Society for the Protection of the Rights of the Child (SPARC) believes there are about 1.5 million children living and working on Pakistan's streets. Experts agree that without a decent education, these children are far less likely to climb the socio-economic ladder.

"I didn't like what I was doing," Khalil said in an interview. "I didn't want to be seen as a beggar. It hurt when people hurled abuses, or said nasty things."

With Khalil now spending most of his time studying, his mother has joined his father on the streets to make up for lost income. Between them they earn a few dollars a day, money that generally goes immediately on buying food for the family. According to Rabail Abbas Phulpoto, the school's 25-year-old principal, 85 per cent of her students come from families who beg for a living and were thus reluctant to lose their breadwinners to the blackboard.

"I started engaging with the community about three years ago," Phulpoto explained. "There was resistance at first but after eight months of persistent dialogue, I found [parents] relenting.

"I didn't want to be seen as a beggar. It hurt when people hurled abuses, or said nasty things."



A few sent their boys, but not their girls, and I found out that even those kids were continuing to beg after school." Today, 235 of the 350 students in the school are former street children.

"The importance of education has finally sunk in," she said, "and each [child's] story is more inspiring than the last." Khalil, for instance, worked for a mobile phone company for a while. Now he has learnt how to fix phones, and wants to use his education to become a computer engineer when he grows up.

Perhaps most importantly, the social barriers between the better-off students and their less fortunate peers are slowly breaking down. Where once the more privileged kids had avoided even sitting next to children from beggar families, now there is more fluidity and understanding. Baela Raza Jamil, coordinator of the South Asia Forum For Education Development, refers to this initiative as transformative, both for the children and their families.

Now he has learnt how to fix phones, and wants to use his education to become a computer engineer when he grows up.



"I am sure each day they bring home newfangled ideas," she said. "They are learning to do every day mathematics, so they can help parents keep daily accounts."

She hopes eventually discussions on earning options beyond beggary will ensue. For children like Khalil, that change has already come.

"I wish I'd grow up fast," he said, "so that my parents don't have to work at all."

This story has been condensed from an article that was published by IPS and Dawn.com



LOSS AND HOPE in the City by the Sea

In a coastal shanty town, tragedy and hope live side by side.

Lined with garbage and plastic waste, Machar Colony's broken, narrow roads are enveloped by the smell of rotting fish. Young children and youth wander aimlessly along these streets.

Crime and unemployment are rampant; basic amenities scarce. In most households, men go out to fish while women and children help make ends meet by peeling shrimp for local seafood companies, work that pays little but is physically taxing and a gateway to widespread skin diseases.

The Arabian Sea has been a primary source of livelihood for the people of Machar Colony for generations. Populating more than 700,000 people, this Karachi slum is spread along the coastal belt. A majority of its residents belong to fisher folk communities that migrated decades ago from Bangladesh and Burma. Today, their neighborhood constitutes one of Pakistan's largest unofficial, unplanned settlements.

Unfortunately, abject poverty, lack of educational facilities, and institutional neglect are not the only problems facing Machar Colony. There are few other places that have also borne a greater brunt of the endless India-Pakistan conflict than this slum. Fishermen from the two nuclear-armed rivals regularly stray across sea borders in desperate search for good catch, where they are arrested and charged with trespassing. They are often left languishing in jails without trial or any contact with their families for years. Many have died in prison waiting for reprieve according to human rights activists. Many belong to Machar Colony.

Rubina, a quiet young woman is certain that her missing husband was arrested by the Indian authorities also. But despite the hardship of supporting her two children herself, Rubina is adamant that her children go to school. Her daughter now studies at TCF in Machar Colony. Although she struggles to keep a roof over her family's head but she never regretted the decision to send her daughter to school. 'I want both my children to complete their education,' she says firmly. "My daughter loves her teachers. The school's principal is also very kind to me. She listens to me with respect, and talks to me about my daughter's progress."

"I have told myself, they may not have a father anymore, but they have me."

Many of Machar Colony's children are still forced to work due to their circumstances, but school is first priority. School is also a refuge, a haven from their daily struggles; one they leave reluctantly at the end of every school day.

Rubina isn't alone in her praise for the teachers and principal,

and the role they have played in her own life as well as her daughter's. The teachers in these schools are known to go well beyond just giving lessons in the classroom. They have become a key part of the communities and families they serve. Many of their students had never been to school before. Those who did were used to neglect and mistreatment. Few if any had help building confidence and self-esteem to dream beyond the poverty that has ensnared their families for generations. TCF principals and teachers on the other hand have become confidantes and counselors to these children as well as their families, often helping them deal with personal crises, including health problems among the students who work nightly shifts cleaning raw shrimp with bare hands. Most of all, they have lent them empathy and strength to help cope with tragedy and despair, as in the case of Rubina.

Anwara, another parent at the same school had five children when her husband went missing. She also cleans shrimp, along with her children, two of whom are grown. The two middle ones are in school.

'People in the community keep telling my children their father left them, and then they ask me why. I try to explain to them as best as I can,' she says quietly.

It was the TCF school principal who convinced Anwara to enroll the children, and got them books and uniforms. Now she is determined to try her hardest to keep them in school.

"I have told myself, they may not have a father anymore, but they have me," Anwara says. "I will try my hardest to educate them. I want them to become independent, to own their homes, and once they achieve that, I just want to spend the rest of my life praying. That's my only wish." Unlike Anwara, Rubina is still hopeful that her husband will return one day.



And in the meanwhile, she wants both of her children to finish school. She wants her daughter to become a doctor. "Without an education, you have to hear a lot of rebuke from everyone throughout life," she says. "Education can help us become something in the future." Someone important, someone different, she hopes.

This story has been condensed from an article that was published in Dawn.com







WE BELIEVE IN PERFORMANCE



DIRECTORS' Report

The Directors of the Foundation have the pleasure of submitting their report together with the audited financial statements of the Foundation for the year ended 30 June 2015.

We are grateful to the All Merciful, with whose benevolence we have collectively been able to progress and maintain our credibility. We would like to thank all TCF donors and supporters who have helped us come this far. Supporters of TCF across the globe are spreading awareness and new members are constantly joining the TCF family.

Key Operating and Financial Data of Last Six Years

Financial Highlights (Rs. in million)	2015	2014	2013	2012	2011	2010
School Support Donation	2,090	1,642	1,318	1,120	901	693
Education Program Expenses	1,999	1,628	1,319	1,084	890	649
Total Assets	6,973	5,914	4,754	4,035	3,501	2,844
General and Other Funds	788	810	863	803	775	761
Endowment Fund	1,370	973	356	184	133	101
Foreign Exchange Remittance	1,668	1,695	1,079	962	851	680
Current Ratio	3.8	5.9	6.6	6.3	7.5	8.2
Cash to Current Liabilities	0.4	0.6	1.2	1.0	1.7	7.4

The Operating Results of the Foundation have been further discussed in 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 2015 which contains the state of the Foundation's affairs, business review and salient activities in different fields of operations, outlook, plans for strategic growth and other requisite information. The contents of the said review shall be read along with this report and shall form an integral part of the Directors' Report required under section 236 of the Companies Ordinance, 1984.

Corporate Governance

The Directors are pleased to state that your Foundation is trying to be as compliant as possible with the provisions of the Code of Corporate Governance 2012 despite it not being applicable on the Foundation. It is practiced on a voluntarily basis to ensure good governance.

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.

Attendance of Directors in Board Meetings

The Board is comprised of eleven members, which includes ten independent Non-Executive Directors and one Executive Director. The current members of the Board of Directors have been listed in the Company's Information. During the financial year ended 30 June 2015, six meetings of Board of Directors were held in Pakistan.

Committee Members	Executive/Non Executive	Eligible to Attend	Attended
Mr. Mushtaq K. Chhapra	Non-Executive Director	6	6
Mr. Ahsan M. Saleem	Non-Executive Director	6	5
Mr. Ateed Riaz	Non-Executive Director	6	5
Ms. Nilofer Saeed	Non-Executive Director	6	5
Mr. Adnan Asdar	Non-Executive Director	6	6
Mr. Ishaque Noor	Non-Executive Director	6	4
Mr. Musadaq Zulqarnain	Non-Executive Director	6	2
Mr. Shahid Abdulla	Non-Executive Director	6	-
Lt. Gen. (R) Sabeeh Qamar uz Zaman	Non-Executive Director	6	-
Mr. Rashid Abdulla	Non-Executive Director	6	-
Mr. Syed Asaad Ayub Ahmad	Executive Director	6	6

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. 76.17 million (2014: 45.51 million) as Donation/Service received from the companies, in which Directors of the Foundation are also holding directorial positions.

b) Rs. 6.88 million (2014: 7.66 million) in respect of Donations from the Foundation's directors.

c) Rs. 21.99 million (2014: 17.74 million) paid as remuneration/compensation to key management personnel and Rs. 0.18 million (2014: 0.02 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
- Policy and Strategy
- People Management
- Business Processes/Excellence
- Governance and Compliance
- Financial Performance
- · Impact on Society

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

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

During the year ended 30 June 2015, the Board of Directors has revised the remuneration of Syed Asaad Ayub Ahmad, Chief Executive Officer from Rs. 676,200 to Rs. 737,100 per month effective 01 January 2015. There was no change in other terms and conditions of his appointment.

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.

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 Program of Institute of Chartered Accountants of Pakistan (ICAP) and the firm is fully compliant with the International Federation of Accountants' guideline on codes of ethics, as adopted by ICAP. The Audit Committee and the Board of Directors of the Foundation have endorsed their appointment for members' consideration at the forthcoming Annual General Meeting.

Director Dated: 12 August 2015

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 June 30, 2015.

Summary of Financial Results

Description	2015	2014	Increase/Decrease
Description	Rs. in	million	%
School Education Programme Expenses	1,999	1,628	23%
Programme Administration Expenses	190	178	7%
Operating Expenses	2,189	1,806	21%
Donation Income - School Support	1,952	1,538	27%
Total Assets	6,973	5,914	18%

Operational and Financial Review

The Foundation's Balance Sheet has grown to a footing of Rs. 6,973 million (US\$ 68.7 million) as of June 30, 2015, compared to Rs. 5,914 million (US\$ 58.3 million) as of June 30, 2014. The operating results of the Foundation as detailed in the Income and Expenditure Account for the year ended June 30, 2015 reflect a 21% increase in total operating expenses. This is reflected by an increase in School Education Programme expenses which have increased by 23%, mainly due to a 14% increase in subsidies to TCF schools. The primary drivers for growth in subsidies to TCF schools were the annual salary increments for faculty and non-faculty school staff, allied costs of school staff and the annualised impact of newly opened school units. It also includes greater focus on repair and maintenance of older schools, higher costs of uniforms provided to students and an increase in school supervision costs. In contrast, Programme Administration expenses included in the total operating expenses increased by only 7%, due to better expense management, and lower inflation. The management maintained efficient control on Programme Administration expenses, which remained at 8.7% 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 organization has set for itself.

Donation income for school support has increased by 27%. The Foundation's Zakat process (both collection and utilization) is reviewed by a Shariah Advisor periodically who has issued a Shariah Compliance Certificate included in this Annual Report.

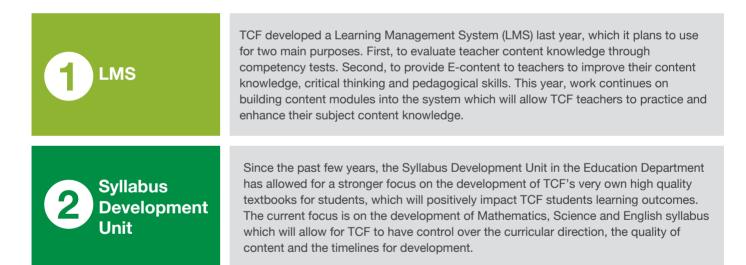
The income of TCF is exempt from income tax under sub-clause (xxviii) of clause (66) of Part I of the Second Schedule of the Income Tax Ordinance, 2001. Any donation made to TCF by any person is allowed as an admissible deduction as per prescribed limits as the Foundation's name is listed in sub-clause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

Improving Quality of Education

By the grace of God, TCF has completed its 19th year of operation. With a humble beginning of 5 schools, TCF stands today at 1060 school units with presence in over 109 towns and cities across the country. TCF educates over 1,65,000 less-privileged children of whom nearly half are girls. The number of schools and children show an extensive national and global support from the donors. This entails a sense of greater responsibility on us to ensure that the standard and quality of education is maintained and delivered efficiently.

TCF matriculation results were satisfactory this year as 43% of students scored A/A+ compared to 38% in last year, and our target is to increase this figure beyond 50% in the coming year. To improve the quality of education, TCF is taking new initiatives which include re-introduction of nursery classes to enhance language proficiency and pre-school skills. Early childhood curriculum is being revamped with a special focus on reading skills so that our students become more independent readers. To enhance quality of education, work continues on customized syllabus from grades 1 to 8 and by 2018 we should have a complete in-house syllabus in Urdu for TCF students till grade 8. Furthermore, on-ground teacher training will also be supported by digital training in 2016 through our Learning Management System (LMS).

There has been a strong strategic focus over the past year on improving the quality of education within TCF schools. As a result, the following steps have been taken:



Moreover, this year the Volunteer and Alumni Department is piloting the Alumni Development Programme (ADP). This programme will target the matric graduates of this year that have scored an A (70%) or above in their 9th grade board exams. The aim of the ADP is to improve basic Maths, English and soft skills of matriculating students, instilling confidence in them to apply for further education in future.

Corporate Distinctions and Awards

By the grace of Allah, TCF is the only non-profit in Pakistan to have won the Corporate Excellence Award by Management Association of Pakistan three times. This year the Management Association of Pakistan again recognized TCF's services and awarded it a Certificate of Merit in their 30th Corporate Excellence Award. This certificate is a testament to the unrelenting commitment of TCF towards Corporate Governance and hard work of our staff in their efforts towards continuous improvement.

We are also pleased to share that the Schwab Foundation Social Entrepreneur of the Year Award for 2015 was awarded to Mr. Mushtaq K Chhapra in his capacity as Chairman of The Citizens Foundation. Furthermore, TCF also received the 1st Runner-up Award by South Asian Federation of Accountants (SAFA) for "Best Presented Annual Report Awards 2013" in NGO category;



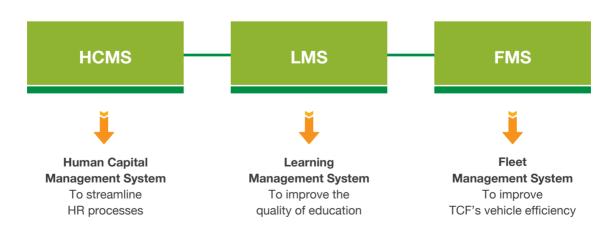
previously, TCF was adjudged as Winner in 2012. TCF was awarded with 'Certificate of Merit' for Best Corporate Report Award organized jointly by the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP) for the financial year ended 30 June 2012 and 2013 for NGO sector. TCF is the only NGO that has been awarded with this esteemed certificate for the 2nd consecutive time since its inception for NGO category in 2012.

Other Initiatives

TCF is committed to provide quality education to children belonging to less-privileged communities. However, beyond its core programme, TCF is also involved in providing clean water to the communities around its schools, providing literacy to women through its Adult Literacy Programme called 'Aagahi', mentoring its students through the 'Rahbar' Programme, providing career counselling and creating future opportunities for its graduates through scholarships.

Information Technology

In order to improve efficiency and streamline processes, there is an increased focus on building a robust technology base within TCF. Applications like Microsoft Dynamics Great Plains (ERP), MS CRM (for Donor Care) and School Management System (SMS) are already well embedded in our management processes.



Greater focus will now be given to the following applications in the coming year:

The Foundation also has vital IT Security Policies in place such as IT Information Security Policy, IT Standard Operating Procedures, Disaster Recovery Plan and Risk Assessment Policy.

Future Outlook

Having crossed the 1,000 school units' milestone, TCF is now setting its sights upon taking up even more ambitious challenges and pursuing a dramatic expansion of its programme. 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 school sector as well as collaborating with the Government sector under Public-Private Partnership programmes. 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. Meanwhile, work on launching a TCF Higher Secondary College is also well under way. 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, 2015, TCF's Endowment Fund has witnessed a growth of 41% from Rs. 972.9 million (US \$ 9.6 million) to Rs. 1,369.9 million (US \$ 13.5 million) which reflects the efforts of the Foundation towards achieving sustainability. Moreover, we are looking at formally introducing the 'TCF Future Fund' in the next year with the aim to raise and achieve a total endowment fund of US \$100 million in the next 5 years in order to provide increased sustainability to TCF. We are very thankful to our donors who realize the importance of financial sustainability of the organization 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

We are grateful to the All Merciful, with whose benevolence TCF has been able to progress and maintain its credibility. TCF owes its success to every single individual who has either joined the movement by donating or working in any capacity with compassion to further the cause. 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 Education Programme.

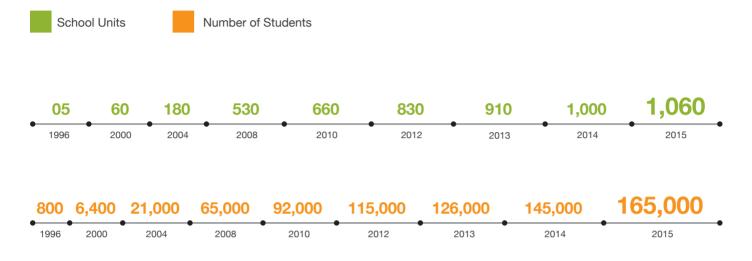
On behalf of the Board of Directors.

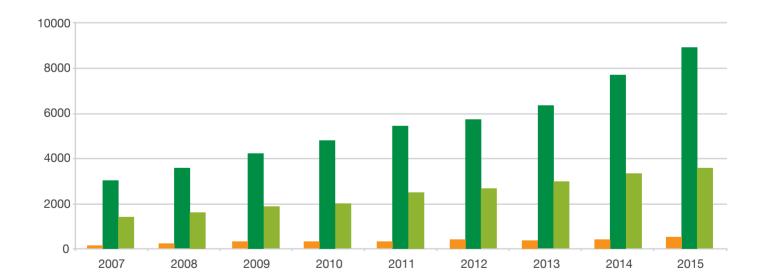
Syed Asaad Ayub Ahmad Chief Executive Officer 12 August 2015

TCF Programme Highlights

Growth Pattern

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





Growth Trend in TCF Staff

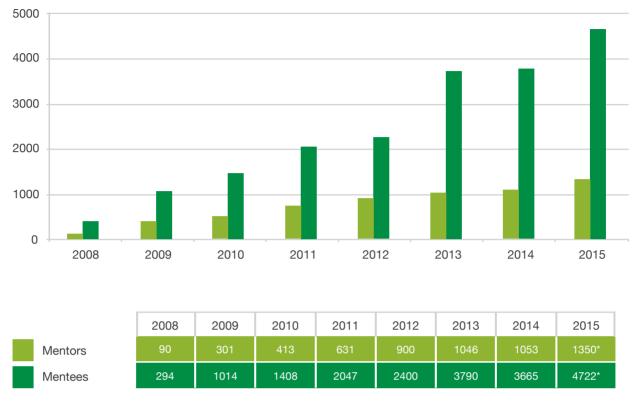
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Office Staff	190	230	260	270	280	300	350	385	450
Faculty Staff	3000	3550	4150	4800	5400	5800	6300	7700	8900
Non-Faculty Staff	1300	1685	1850	1930	2500	2700	3000	3300	3600

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Rahbar

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

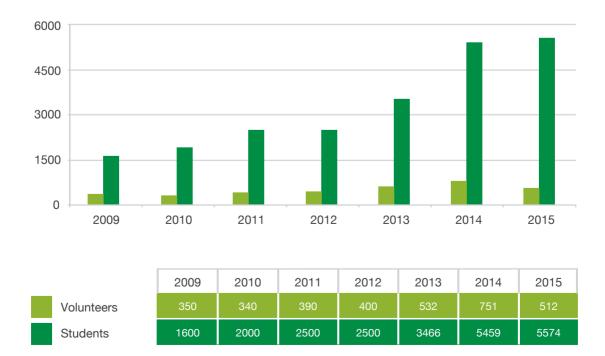
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*The number for the year 2015 is a projected figure.

Summer Camp

A summer programme for volunteers to engage with TCF primary school students through English, drama and games modules.



Aagahi

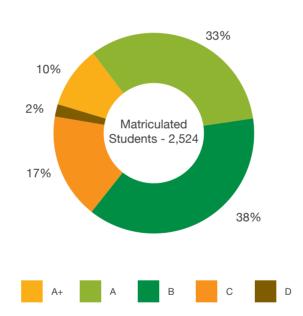
An adult literacy programme for women belonging to the rural areas and urban slums around TCF schools.



*An Aagahi Center comprises of an Aagahi teacher along with a group of (15-20) learners. The location of a center is not fixed and classes can be conducted either at the TCF school premises or at a learner's/teacher's home in the community around the school.

**The number for the year 2015 is a projected figure.

Grade Wise Breakup of Matriculating Students 2014-15



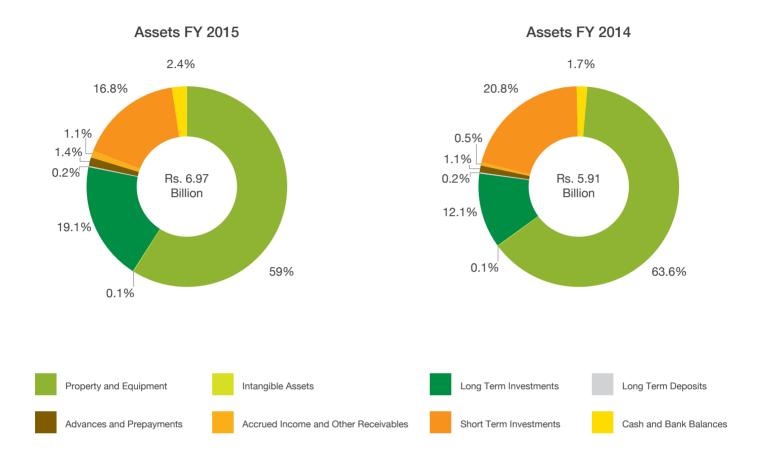
Alumni Breakdown upto 2015



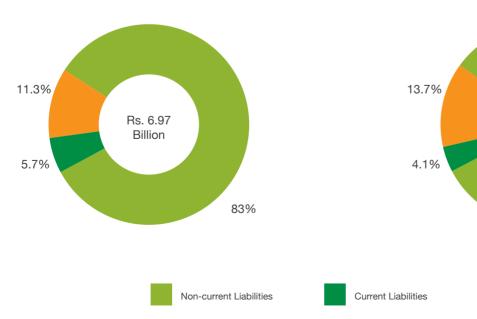
*This number is only indicative of students who apply for TCF alumni scholarships either for 2-3 year Bachelor's or 4-5 year Professional degree programmes. Students pursuing tertiary level studies belong to matriculation batches prior to the year 2012.

Financial Highlights

Graphical Presentation of Balance Sheet



Funds and Liabilities FY 2015



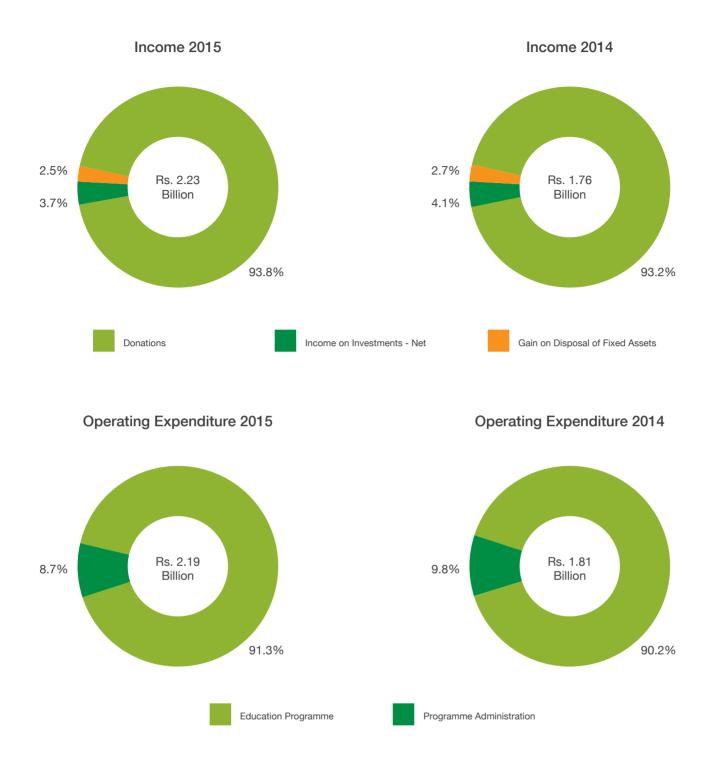
Funds and Liabilities FY 2014

Rs. 5.91 Billion

Funds

82.2%

Graphical Presentation of Income and Expenditure Account



Receipts Pattern

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

400m	561m	736m	945m	972m		1,395m			2,321m		
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	'

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Key Financial and Operating Information (2010 - 2015)

Operating Results (Rupees in Million)	2015	2014	2013	2012	2011	2010
School Support Donation	2,089.5	1,641.9	1,318.2	1,120.4	900.5	693.0
Other Income	138.0	120.2	116.0	127.1	79.0	24.4
Education Programme Expenses	1,998.7	1,627.9	1,318.7	1,083.6	889.9	648.6
Administrative Overhead	189.8	177.8	133.7	106.3	90.0	86.9
Surplus / (Deficit) of Income over Expenditure for the Year	39.0	(43.6)	(18.2)	57.6	(0.5)	(18.1)
Financial Position (Rupees in Million)						
School Land and Building	3,481.0	3,152.3	2,801.3	2,553.9	2,289.3	2,152.0
Other Non-Current Assets	1,975.1	1,336.9	759.2	549.1	450.0	318.7
Current Assets	1,516.8	1,424.6	1,193.6	932.3	761.9	373.7
Total Assets	6,972.9	5,913.8	4,754.1	4,035.4	3,501.2	2,844.4
Capital Fund	2.2	2.2	2.1	1.5	1.5	1.4
General and Other Funds	785.7	808.2	861.1	803.2	775.0	761.0
Endowment Fund	1,369.9	972.9	356.4	184.2	132.8	101.0
Deferred Income	4,417.3	3,890.4	3,353.6	2,897.9	2,490.7	1,935.4
Current Liabilities	397.8	240.1	180.9	148.6	101.2	45.6
Total Funds and Liabilities	6,972.9	5,913.8	4,754.1	4,035.4	3,501.2	2,844.4
Expense Pattern						
Education Programme	91.3%	90.2%	90.8%	91.1%	90.8%	91.5%
Programme Administration	8.7%	9.8%	9.2%	8.9%	9.2%	8.5%
Key Financial Ratios (in Times)						
Current Ratio	3.8	5.9	6.6	6.3	7.5	8.2
Cash to Current Liabilities	0.4	0.6	1.2	1.0	1.7	7.4
Cash Flow Summary (Rupees in Million)						
Cash Flows from Operating Activities	(457.4)	(319.0)	(201.8)	(96.9)	46.8	39.4
Cash Flows from Investing Activities	(1,083.3)	(1,175.9)	(761.3)	(737.2)	(928.2)	(367.8)
Cash Flows from Financing Activities	1,620.1	1,601.4	972.9	728.0	720.1	495.0
Increase / (Decrease) in Cash and Cash Equivalents	79.4	106.5	9.9	(106.1)	(161.3)	166.6
Other Data (Rupees in Million)						
Foreign Exchange Remittance (Pak Rupee Equivalent) for all Donations Received	1,668.0	1,695.0	1,079.3	962.0	851.0	680.0
Tax Deducted and Deposited into Government Treasury as Withholding Tax Agent	57.5	36.5	33.3	36.0	30.0	24.0



TCF Honoured at the **WORLD ECONOMIC FORUM**

The Citizens Foundation won laurels for the country by being awarded the prestigious Schwab Foundation Social Entrepreneur of the Year Award – 2015. The award was presented during the World Economic Forum on East Asia, held in Jakarta, Indonesia in April 2015. Mushtaq Chhapra, Chairman of TCF's Board of Directors received the award from David Aikman, Managing Director of the World Economic Forum.

The Schwab Foundation for Social Entrepreneurship was co-founded by Klaus Schwab, Founder and Executive

Chairman of the World Economic Forum, and his wife, Hilde. The Foundation works closely with the World Economic Forum to explore ways in which leading social entrepreneurs can be integrated into shaping regional, global and industry agendas using the Forum's unique platforms.

With this award, TCF becomes part of the broader Schwab Foundation community of social entrepreneurs, which includes more than 300 outstanding social entrepreneurs from 60 countries.





PRIORITIZING Quality of Education

"The only real voyage of discovery consists not in seeing new landscapes, but in having new eyes, in seeing the universe with the eyes of another, of hundreds of others, in seeing the hundreds of universes that each of them sees."

Marcel Proust, 1871-1922

In the Education Department at The Citizens Foundation, we believe we are part of the voyage of discovery of every child who enters our system of education and we endeavor to see the universe from their eyes as well as equip them to see hundreds of new universes as they move through their academic journey.

The Barbell Approach

In 2014-15, TCF adopted a barbell or two-end approach to enhance student learning outcomes. On the one hand, at the foundational level, Nursery and Kindergarten curricula were delineated so that separate and specific focus could be brought to bear on their different needs and requirements. This included the Nursery pilot project in four areas where children came from non-Urdu speaking backgrounds.

At the same time, effort went into raising the performance of Grade 9 and 10 students to improve their Board Examination results. Summer tutorials and special classes for Mathematics and Sciences were arranged. The results of this focused effort is beginning to reflect in the students' academic achievements – overall pass percentage for Grade 10 was 90% and the percentage of students securing 'A' and 'A+' grades increased from 38% in the previous year to 43% this year.

academic hours have been introduced, which add value to students whose parents cannot afford tuition outside school and also bring the number of academic hours more in line with other school systems in the country.



For the TCF school system as a whole, 126 additional

Academics: The Resource Base

For the Academic Unit within our Education Department, the primary focus continues to be curriculum development. By 2018, our target is to achieve TCF designed and developed textbooks, workbooks and accompanying teacher guides up to Grade 8. We consider teacher guides to be a critical tool in enhancing the quality of teaching.

These include standardized daily lesson plans for teachers so that even the weaker links in the teacher capability spectrum are able to access comprehensive education resource material. This helps in ensuring a minimum teaching quality standard throughout the TCF school system.

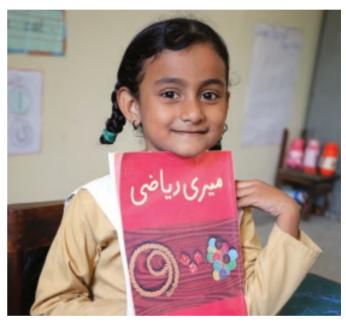
Meri Riazi

In 2013, TCF recognized the need for a new series of textbooks to be incorporated into its Mathematics curriculum. Thus, 'Meri Riyazi' was developed in-house by the TCF Education Department. Special features of the book include its language of instruction being Urdu, the accompaniment of a unique Teacher's Guide and the use of the ELPS learning approach (Experience, Language, Pictures, and Symbols). Examples and illustrations in the book are taken from a Pakistani context, thereby being more relevant and relatable for TCF's students. Finally, Meri Riyazi is also more cost effective than its predecessor.

Work on the Mathematics textbook series began in September 2013 and the KG and Class 1 books were completed in January 2014. The books were introduced to students in April/May 2015. Work on the class 2 and 3 textbooks is ongoing with the aim to have them completed by December 2015.

In 2015-16, English, Mathematics and Science curriculum development will continue.







Training

Training through a systematic, disciplined and measurable process is the essence of developing teacher capability. We are a training centered institution and also a learning organization that listens to teachers and Head Teachers in order to continuously improve teaching methodologies and training delivery media. In 2015-16, we are emphasizing motivation, for we believe that only a motivated teacher who has a passion to teach can inspire students, ignite their curiosity and launch them on the voyage of discovery of their own potential.

In addition to our annual structured training programs including the Principal's Academy and the In-Service Training for all our faculty, the year involved digitizing training that can be available the year round for new and inexperienced faculty. The Assistant Education Manager (AEM) was another tier of our regional education team that came within the training ambit this year. These are the resources from whom our Principals draw their academic inspiration and guidance, and the need for their continuous development can hardly be overestimated.

Learning Management System (LMS): Bright New Horizons

TCF has entered the exciting world of Information and Communications Technology (ICT) for Education, which

involves the use of technology to support learning. In 2014, TCF developed a Learning Management System (LMS) with the aim to improve the quality of its teaching staff. The objective is twofold: competency testing to identify the strengths and weaknesses of teachers in their own subjects, and creating engaging e-content that will bridge the identified gaps in knowledge and skills.





In 2014, TCF initiated an annual process of standardized content knowledge testing of its teachers across the school system and completed the second cycle of testing in 2015. The tests were linked to teacher appraisals, giving the exercise its due gravity. Over 6,000 teachers from all parts of the country, ranging from Batagram in the North to Keti Bunder in the South and from Dera Jamali in the West to Narowal in the East, participated in these tests.

The testing process used Optical Mark Recognition (OMR) technology which not only reduced data collation time from several months to mere weeks, but also allowed for better drill down and granular analysis of results through input of all data into our Moodle-based Learning Management System. The results themselves were very encouraging with overall content knowledge reaching 71% versus 57% last year.

At the same time, TCF has started to develop its own e-learning content. Using the national & TCF syllabus and curricula, a specialized LMS unit is creating engaging, interactive educational modules for teachers. The modules include educational content, practice exercises as well as pedagogical strategies and classroom activity ideas. By the end of December 2015, TCF hopes to have its own library of 100-150 e-learning modules for English, Math and Science from KG through Grade 5. This content will be rolled out to teachers in phases from 2016 to 2018.

In 2016, content for classes VI to X will be developed and added to LMS. The unit will strive for collaborative partnerships with other software houses and digital curriculum providers to share relevant content and use resources efficiently.

As our emphasis on process improvement and program evaluation grows the need for capacity enhancement increases. In 2014-15, the Education team has been strengthened by adding positions in evaluation and project innovation. The additional capability and skill set is scaling up projects such as the Reading Program and after school academic support in addition to assessing the acceptability of in-house designed curriculum and synthesizing available data into actionable decisions.

All these efforts are driven by our desire to help and enable each child enrolled at TCF schools on his or her personal voyage of discovery. In many ways, work on enhancing the quality of education truly reflects the emphasis on "continuous improvement" embedded in TCF's organizational values. While we know that this work will never really be "complete", the journey is its own reward.



The Number Cruncher

Every day after school, Armaan helps his employer sell sherbet (juice) on a roadside pushcart. His responsibilities mainly involve quickly rinsing used glasses and stacking them neatly back in their place, a job that helps him make Rs. 70 (less than 70 cents) per day. However, with his education, Armaan is able to contribute more than just his designated set of tasks.

"When we have more customers, I also help my ustaad (employer) in billing. He is good but I do math faster in my head than he does." Armaan proclaimed proudly. Armaan's father, a factory worker, had always wanted to send his children to school but could not afford to do so until a TCF school opened in their area. "I walk to school with my two younger siblings every day. I feel happy when my teacher asks a difficult question in class, and I come up with the answer." Armaan said.





BEYOND the Core Programme

Our volunteer, alumni and community programmes are aiming for a more holistic development of our students, their families and the broader community.

Weekend Rahbar

TCF started its flagship mentoring programme – Rahbar with 90 mentors and 294 mentees back in 2008. Since then, the programme has grown significantly and is developing a positive thought process and a 'can-do' attitude in the 8th and 9th graders of TCF Schools. To date, it has impacted the lives of almost 16,000 mentees with the help of 4,000 mentors across the country.

The Rahbar programme's outreach has, however, been limited to major urban areas due to the difficulty in mobilizing volunteers in smaller towns and rural locations. To address this, TCF Volunteer Department has developed a modified version of the programme called the 'Weekend Rahbar'. After successfully piloting it at six remote locations, the programme is now ready to be formally rolled out on a larger scale. Weekend Rahbar uses theatrics as the means to accomplish the objectives of the programme. Mentors and mentees spend two and a half days together and work very closely to deliver a play at the end of the session. The process focuses on nurturing creativity, confidence and critical thinking in the students.

For the year 2015-16, Weekend Rahbar aims to reach out to 500 students in 20 new locations with the help of 200 volunteers.

<image>

Alumni Development Programme

About 70% of students completing their Matriculation from TCF schools go on to pursue intermediate level education and 25% of these get enrolled into tertiary level programs.

Over a period of time, TCF has identified specific areas of improvement (such as English language skills, Mathematics and broader personality development) where greater support and preparation could enable these TCF alumni not only to secure admission into higher quality programmes but also in their lives beyond intermediate and tertiary level studies. This realization led the Alumni Department to develop its new 'Alumni Development Programme' (ADP).



The aim of the programme is to improve academic skills, develop problem solving and critical thinking capabilities and build self-confidence in the students. The sessions also introduce students to academic programmes and scholarship opportunities being offered by various universities in Pakistan and abroad. A pilot programme was conducted in July 2014 in Karachi with 10 volunteers (university students) and 80 TCF students over a period of three weeks.

Based on the encouraging results of this pilot, the ADP is being rolled out this year in Karachi with 90 volunteers and 800 students across 30 TCF school locations, while pilots are taking place in Lahore and Rawalpindi schools.

Aagahi Urdu Adult Literacy Programme

Initiated in 2005, the Aagahi Urdu Adult Literacy Programme focuses on building the functional literacy skills of illiterate members of the TCF community (primarily women). After completion of the 3 month literacy course, an individual is able to read a newspaper, write a letter, and do basic arithmetic for household budgeting and buying or selling goods in a marketplace.



This year, the Community Development Unit (CDU) worked to integrate the Aagahi programme into TCF's School Management System (SMS). The IT platform was used for coordination and reporting of on-ground activities. Various new initiatives were introduced to improve programme outcomes, such as learner attendance reporting by Aagahi teachers via mobile messages. During the year, 649 literacy classes were conducted, through which 10,157 learners were successfully made literate. This will bring the total number of Aagahi learners to over 43,000 women in 2015.

Clean Drinking Water Project

The shortage of clean drinking water continues to be a significant problem affecting health and quality of life in countless communities across Pakistan. TCF's Community Development Unit (CDU) has been exploring various ways of providing clean drinking water to the communities around TCF schools, particularly in areas where water is brackish and not fit for human consumption.

With the help of its partners, Community Advisory Welfare Services (CAWS) and So Safe Pakistan, CDU was able to set up 6 additional water filtration plants during the year, taking the total number of plants installed in TCF school locations to 14. Of these, 5 are Reverse Osmosis (RO) plants installed in areas where the main water source is brackish ground water. CDU aims to establish 10 - 15 water filtration plants on an annual basis with the help of its partners and the involvement of the TCF Operations Department.

Significant progress has also been made during the year in streamlining maintenance processes, improving the service delivery model by chalking out key performance indicators for plant running, identification of new partners and shortlisting of new plant locations based on supply-demand conditions in all four provinces. CDU is also simultaneously researching purification technologies and alternative service delivery channels to make clean water a reality across as many TCF communities as possible.



THE RISING TIDE of Global Support

Around the world, our partners, volunteers and supporters help realize the dreams of less privileged Pakistani children.

The Citizens Foundation's 20-year long journey is testament to the empathy, optimism and generosity of ordinary people choosing to make an extraordinary impact on the lives of others. TCF survives and thrives thanks to its supporters in Pakistan and around the world who generously give their invaluable time, skills and commitment to this cause. The past year was no exception to this continuing contribution.

141 Schools for Peace

There can be no deeper sorrow than the passing of a child. In December 2014, TCF joined the nation and indeed, the world in mourning the loss of innocent lives in the horrific attack on a Peshawar school. We strongly condemned this act of terrorism and renewed our commitment to fighting ignorance and intolerance in all its forms.

This was a defining moment in Pakistan's history. With the

formidable challenges facing the nation, we passionately believe that only education has the power to enlighten minds, instill citizenship and unleash the potential of every Pakistani. TCF therefore committed to building '141 Schools for Peace' across Pakistan in memory of the innocent victims of the Peshawar attack. In the brief period since the launch of this effort, we have already received commitments for 15 school units, out of which 6 have already been built. We dedicate this effort to the children of Pakistan, their right to education and their dreams of a peaceful future.



Educate Pakistan - Defy the Darkness

'I wish I could go to school too'

Ramadan is the season of sharing and benevolence across the Muslim world. For TCF, it remains one of the most important times of the year in terms of garnering financial support for our mission. This year, our Ramadan campaign was designed to highlight the simple dreams of out of school children ('I wish I could go to school too') and how easy it is for all of us to play a part in fulfilling these dreams.



Supporters from all over the world responded with unprecedented generosity and provided the means to support the education of thousands of children for another year. Behind the scenes, this spirit of generosity was also apparent in the team which came together to create and execute the Ramadan campaign. Danish Mumtaz and his Goldmine Productions team flew over from UAE on a day's notice to shoot the television commercial; Shoaib Qureshi and his team at Bulls Eye DDB helped us develop the campaign and a long list of fantastic media partners provided invaluable opportunities to share our message on TV, radio, print and outdoor media. The campaign ended on a high note when Naseema and Sajid, two actual out-of-school children who had been featured in our campaign, were enrolled at a TCF School in Rehri Goth for the academic year 2016-17.

"Let's make Pakistan the country we have dreamed of." - Ali Zafar

Ali Zafar, an internationally acclaimed Pakistani singer, joined hands with TCF to support our '141 Schools for Peace' project. Under this initiative, TCF has committed to building 141 schools across Pakistan, in memory of the 141 innocent victims of the Peshawar attack on 16 December, 2014. Ali has taken it upon himself to raise funds for a school under this project, which will be named 'TCF School Ali Zafar Campus.'

"I urge everyone to come forward and build schools for the future of this country," Ali said while recording a special message for TCF supporters of this campaign. "We need to educate this generation for (the) next generation, and all the generations to come."



Image: Constrained of the state of the

Marketing Alliances

TCF partnered with a number of major brands this year to create awareness and support for its cause. KFC made TCF the focus of its nationwide 'Mitao Bhook' campaign which saw KFC's iconic buckets being redesigned to carry TCF's imagery and messages and the proposition of KFC donating a certain amount to TCF for each bucket sold. KFC's frontline staff were also trained to request customers for donations to support education for the less privileged. Coca-Cola teamed up with TCF for the exciting 'Coke Bank-a-Book' campaign this year.



The campaign was launched at the Karachi Literature Festival where visitors were given a free Coke for every gift of books donated to TCF. The campaign generated unprecedented buzz on Twitter and created tremendous brand awareness for TCF's cause. Liberty Books and EFU Life also ran significant marketing campaigns to support TCF this year.

The Internet - A Force for Good

With the internet embedding itself ever deeper in our day to day lives, it is no surprise that philanthropy is also rapidly

digitizing. Platforms such as 'crowdfunding' and 'peer-to-peer fundraising' combine the efficacy of the internet with the power of personal networks.

As a recipient of the prestigious Skoll Award for Social Entrepreneurship, TCF was invited to join a community of more than 900 social entrepreneurs from around the world participating in the Skoll SE Challenge. Spearheaded by TCF-USA, the global community of TCF chapters and patrons helped the organization secure second position in what was only our second year of participating in this friendly fundraising competition.

Encouraged by this foray into online fundraising as well as the results of earlier efforts initiated by our Canadian chapter, TCF launched its own online peer-to-peer fundraising campaign called Drive to See Them Thrive (D2STT) globally during the Ramadan of 2015. With more than 118 teams and over 298 fundraisers participating across the globe, the campaign was a resounding success and raised enough funds to send 4,200 children to school this year.

Global Chapters Conference 2015

In March 2015, the Directors and Management of TCF welcomed delegates from our global chapters to Karachi for the 5th Global Chapters Conference. This meeting was special because it provided the first opportunity for the global TCF family to meet each other after reaching the 1,000 school units milestone and reflect upon our remarkable journey.

In addition to delegates from all over Pakistan, the conference was attended by 28 international delegates who travelled (at their own expense) from seven countries including UAE, USA, UK, Canada, Saudi Arabia, Italy and Switzerland.

The three-day conference enabled an active discussion on the future strategic direction for TCF and concluded with a reaffirmation of our shared commitment to the children of Pakistan and their right to a quality education.



Supporters of The Citizens Foundation (STCF)

Supporters of The Citizens Foundation (STCF), a passionate group of volunteers, has been spearheading fundraising efforts for TCF for almost 20 years now. The group actively puts in time, effort, expertise and resources to arrange an array of fundraising events throughout the year to support the cause of an educated and enlightened Pakistan. This year was no different.



'Obhartay Sitaray', which was initiated in 2012, has now become a signature event of STCF. It is an inter-school singing competition that provides students a chance to showcase their signing talent along with the opportunity to raise funds for TCF. This year, around 50,000 students from 120 schools in Karachi participated in the fundraising efforts while more than 562 students competed in the singing contest. 'Manzil Milay' - an exclusive concert by internationally acclaimed singer Shafqat Amanat Ali came next. It was held to celebrate TCF's 1,000 school units milestone. Later STCF unveiled the 'Seasons of Lahore' - a painting exhibition by Pakistan's celebrated landscape artist and a long-time supporter of TCF, Mr. Shahid Jalal. Mr. Jalal made a magnanimous philanthropic gesture by donating to TCF, a collection of 65 canvases painted over a 5-year period. The exhibition presented a unique opportunity for art lovers to bid on their favourite piece through an online auction along with donating funds for a worthy cause.

In December 2014, STCF hosted the 11th TCF Golf Tournament at the Karachi Golf Club. This two-day event provided a unique opportunity for avid and occasional golfers to come together and support the cause of education while indulging their passion for the sport. The event featured more than 450 golfers who played in 112 teams as well as individually.

'Magic with Usman Riaz' was next to make waves in the city. This concert was an assortment of spellbinding musical arrangements performed by the young and supremely talented Usman Riaz. Usman, 23, is currently studying music at Berklee College of Music in Boston and is the youngest TED senior fellow.

TCF - USA

TCF-USA has become an essential part of the international movement supporting TCF with its cadre of dedicated volunteers spreading the TCF message all across the United States. Established in 2002, TCF-USA continues to grow its presence and now has 30 local chapters in cities around the USA. This year, TCF-USA held a number of major fundraising galas, youth events, volunteer and donor appreciation events, and information sessions. Outreach activities have resulted in planting the seeds for new chapters in cities such as Philadelphia, Oklahoma City, Atlanta, Westchester County -New York and others.



Starting from September 2014 and continuing right through to June 2015, TCF-USA hosted a number of fund raising events in cities across the USA to invite and engage concerned individuals to build, support and endow TCF Schools. The passionate efforts put in by our volunteers and the amazing generosity of our supporters shone through in fundraiser after fundraiser in Dallas Fort-Worth, Houston, Washington DC, Los Angeles, Boston, Seattle, New York Long Island, Austin, Silicon Valley, New Jersey, Michigan, North Jersey, Pittsburgh and North Carolina.

TCF-USA also co-sponsored two conferences on education reform in Pakistan with the prestigious Woodrow Wilson Center in Washington DC and the University of California, Berkeley. These programs brought together scholars and experts on education in Pakistan and entrepreneurs and innovators in technology-based learning who shared their thoughts on the economic, social, political and technological solutions for education reform in Pakistan. TCF-USA actively participated in the Skoll Foundation's Skoll SE Challenge where the inspired teamwork among all global chapters enabled TCF to win second place, competing against 150 international charities.

TCF - Canada

TCF-Canada held its annual gala in April 2015 marking the 10th Anniversary of the chapter. Orchestrated by TCF-Canada Director, Lubna Sami and hosted by nationally renowned CBC News Network anchor Suhana Meharchand, the evening attracted more than 1,000 TCF supporters and 36 corporate sponsors. The event celebrated the relentless efforts of our amazing Canadian volunteers who have have been the wind in our sails for all these years, driven by their deep concern for the children of Pakistan.

In addition to the gala, the year also saw substantial progress in TCF-Canada's efforts to engage young Canadians. Abdullah Zafar was appointed to TCF-Canada's Board as the youngest Director. Abdullah and Saad Khan, another indispensable member of our TCF-Canada team, initiated the 'Drive to See Them Thrive' campaign which was scaled up to a global online fundraising drive this Ramadan. Amna Hyder played a key role in shaping up the success of this effort in 2015. Sameer Shaikh spearheaded the formation of a university chapter at the McMaster University and Fareeha Mohsin drove the efforts of our Vancouver Chapter. TCF-Canada is committed to providing such young leaders, a platform for making a difference in this world.

TCF - UAE

Joining the momentum, TCF-UAE supporters participated in a 'Walk for Education' held by Dubai Cares in February 2015. TCF has a close partnership with Dubai Cares, a Dubai government initiative aimed at promoting education globally.



The walk was organized to express support for millions of children in developing countries who have little or no access to quality primary education. TCF-UAE also hosted a dinner in May 2015, bringing together up to 400 of its supporters from across the UAE. Meanwhile, the TCF-UAE Ladies Group continued their untiring support for TCF by arranging two musical evenings, celebrating Pakistan's rich musical landscape.



Italian Friends of The Citizens Foundation

Italian Friends of The Citizens Foundation believe that the key to unlocking the hearts of Italian donors lies in their palates. The group has recently launched a bilingual cookbook called 'Tried and True: Recipes from Our Italian Friends' offering 70 prized recipes contributed by our Italian supporters (who also happen to be outstanding cooks). All proceeds from the sale of these books go towards supporting TCF. The cookbook was successfully financed through an online campaign on Indiegogo and is available both as an e-book and in print.

Italian Friends of TCF has been selected to participate in EXPO Milan 2015 with its project 'Female Education: Nourishment of the Mind'. This effort will be part of the international WE | Women for Expo project, focusing on women empowerment. From October 26 to October 31, an entire wall in the Women for EXPO area of the Italian Pavilion will be dedicated to The Citizens Foundation, giving TCF a unique opportunity to share information about its important work with thousands of visitors passing through the pavilion. In May 2014, Italian Friends of TCF organized a conference and fundraising dinner with Georgetown's Professor Anatol Lieven at the prestigious Institute for the Study of International Politics (ISPI) in Milan.

TCF - UK

TCF-UK also organized several events that helped not only in raising funds but also garnering awareness and support for TCF's work. TCF-UK organized its annual Quiz Night in September 2014 where teams named after different Pakistani cities competed to win the grand prize. The UK chapter also hosted a book reading event where cricket fans got a chance to interact with journalist Peter Oborne who discussed his latest book with BBC's Mishal Hussain. The event helped TCF-UK reengage and renew support amongst its donor base. Several dedicated TCF volunteers came together in May to organize a charity bazaar for TCF. The bazaar, held at the Pakistan High Commission, had live music, stalls, and catering by a well-known Pakistani restaurant. In addition, TCF UK hosted a Mother's Day afternoon tea event in March, which proved to be a major success in building a new support base for TCF.



As the examples above reflect, TCF represents an exceptional experiment in applying the collective intent and resources of countless Pakistanis (and a growing number of truly global citizens) to the solution of a shared social problem. These volunteers, supporters and partners will remain the key ingredient in making TCF a beacon of hope for millions across Pakistan.









WE BELIEVE IN 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 Chief Executive Officer of Crescent Steel & Allied Products Limited. He is also presently serving on the board of several listed companies.



Ateed Riaz

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



Ishaque Noor

A TCF Director since 2004, Mr. Ishaque Noor is the Group Managing Director of Albatha Group, United Arab Emirates. He has also served for several years as Member of the Executive Committee of the Professionals Wing of Pakistan Association, Dubai.



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

Lt. Gen. Sabeeh Qamar uz Zaman, (Retd.) 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 organization'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 & 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 K. Chhapra currently serves as the Chairman of the Board. Mr. Chhapra has played a key role in nurturing a number of prominent nonprofit organizations and serves on the boards of Patients' Aid Foundation and The Kidney Centre.



Nilofer Saeed

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



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.



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.

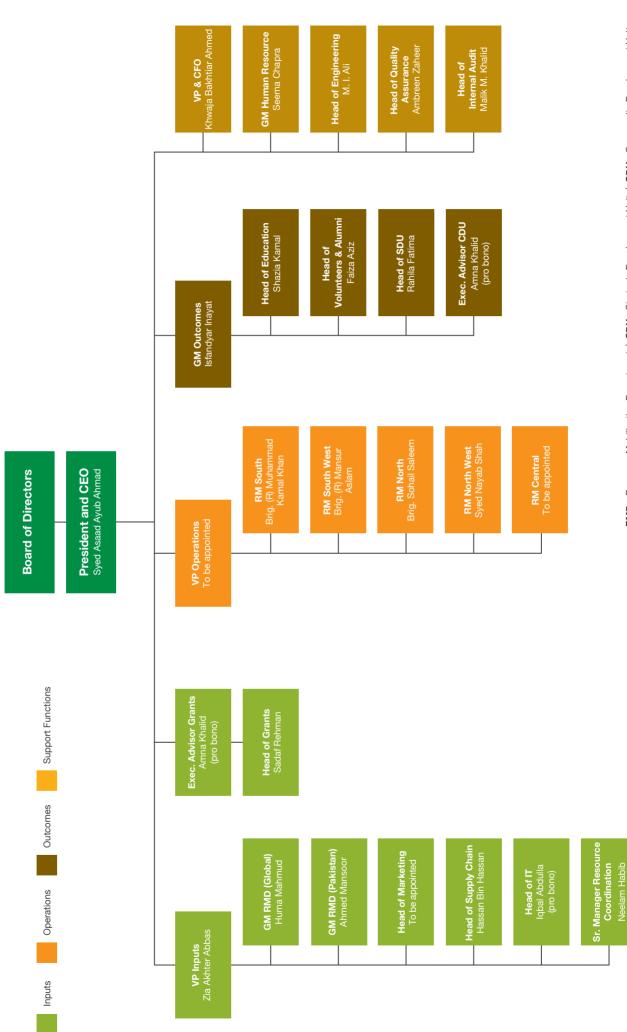


Syed Asaad Ayub Ahmad

Mr. Syed Asaad Ayub Ahmad is the President and Chief Executive Officer (CEO) of TCF. By virtue of him being the CEO, he is also a member of the TCF Board of Directors. He joined TCF in January 2009 and has previously worked for British Petroleum, Exxon Mobil and Shell Pakistan Limited.

TCF Organogram

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RMD - Resource Mobilization Department | SDU - Strategic Development Unit | CDU - Community Development Unit

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TCF Management



Left to Right (standing):

Syed Nayab H. Shah, Iqbal Abdulla, Brig. (R) Mansur Aslam, Huma Mahmud, Neelam Habib, Sadaf Rehman, Shazia Kamal, Amna Khalid, Hassan Bin Hassan, Brig. (R) Sohail Saleem, Malik Mohammad Khalid, Brig. (R) Muhammad Kamal Khan.

Left to Right (sitting):

Adeel Khan, Faiza Aziz, Ambreen Zaheer, Zia Akhter Abbas, Syed Asaad Ayub Ahmad, Isfandyar Inayat, Seema Chapra, Rahila Fatima, Khwaja Bakhtiar Ahmed, Ahmed Mansoor.

Executive Advisors (Pro bono)	s (Pro bono)	Legal Advisors	Shariah Advisor	Tax Advisor	External Auditor
Ahmed Habib Akbar Adil Amna Khalid Aneesa Naviwala Arif Irfanullah	lqbal Abdulla Irfan Ali Hyder Javed Malik Qaiser Mian Shamshad Nabi	Faisal Mahmood & Co. (Pro bono) Roshan Zamir & Co.	Mufti Ibrahim Essa	A.F.Ferguson & Co.	KPMG Taseer Hadi & Co.



BOARD OF DIRECTORS and its Committees

Board of Directors

TCF's Board consists of eleven Directors including the CEO. The Board is headed by a Chairman who is elected from amongst the Directors who meet regularly to provide guidance and support to the organization. Five meetings of the Board of Directors were held during the financial year ended on 30 June 2015. The attendance of the meetings of Board of Directors is presented in the Directors' report included elsewhere in this Annual Report.

Statutory Committees

Audit Committee

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 a sound internal audit process. The Audit Committee also monitors TCF's compliance with applicable regulations and laws. Four meetings of the committee were held in the financial year ended 30 June 2015. The attendance of the Committee meetings was as follows:

Committee Members	Executive/Non Executive	Eligible to Attend	Attended
Mr. Ateed Riaz	Non-Executive Director	4	3
Mr. Ishaque Noor	Non-Executive Director	4	1
Ms. Nilofer Saeed	Non-Executive Director	4	2
Mr. Musadaq Zulqarnain	Non-Executive Director	4	3
Mr. S. M Ehtishamullah	Non-Executive Member	4	4
Mr. Shamshad Nabi	Non-Executive Member	4	2

Stitching Dreams

At the commencement of a new academic year at TCF schools, our children look forward to wearing their crisp, new uniforms. For many, this uniform is the only new piece of clothing they have ever worn.

This year, TCF's Supply Chain Department acquired more than 341,000 meters of cloth and got it stitched into uniforms. Over a period of six months, bulk orders were placed to get the uniforms delivered in time for the new school session. Considerable efforts were put into meeting deadlines and ensuring quality standards, a dedication that bears fruit when the students' faces light up with beaming smiles as they receive their new uniforms.



Human Resources and Remuneration Committee

The purpose of the Human Resources and Remuneration Committee (HRRC) is to assist the Board in reviewing human resources and remuneration policy as well as improving and monitoring compliance with such policy. A key aspect of such review will necessarily involve establishing a plan of continuity and development of senior management for TCF. The attendance of HRRC meetings was as follows:

Committee Members	Executive/Non Executive	Eligible to Attend	Attended
Mr. Ateed Riaz	Non-Executive Director	3	3
Mr. Mushtaq K. Chhapra	Non-Executive Director	3	1
Mr. Irfan Ali Haider	Non-Executive Member	3	3
Mr. Syed Asaad Ayub Ahmad	Executive Director	3	3
Ms. Seema Chapra	Executive Member	1	1

Investment Committee

The purpose of the Investment 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. During the year ended 30 June 2015, one meeting of the Committee was held.

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

Procurement Committee

The purpose of the Procurement Committee is to assist the Board in reviewing the procurement of goods and services for the organization, and monitoring and improving procurement decision making and policy. One meeting of the Procurement Committee was held during the financial year ended 30 June 2015.

Committee Members	Executive/Non Executive	Eligible to Attend	Attended
Mr. Adnan Asdar	Non-Executive Director	1	1
Mr. Shahid Abdulla	Non-Executive Director	1	1
Ms. Nilofer Saeed	Non-Executive Director	1	1
Mr. Syed Asaad Ayub Ahmad	Executive Director	1	1
Mr. Zia Akhter Abbas	Executive Member	1	1

Non-Statutory Committees

Governance and Nominating Committee

The Governance and Nominating Committee is formed to evaluate the effectiveness of the Board, to assist the Board in the discharge of its functions and to ensure compliance with the governing principles of TCF. In addition, it evaluates and nominates qualified candidates for Board membership, and structures, reviews and monitors collective and individual responsibilities of the Board and its members. The Governance and Nominating Committee is formulated to take a leadership role in shaping the code of business for TCF (i.e. its governing principles) and to keep it aligned with international best practices. The Committee shall consist of at least five members. No meeting of the Governance and Nominating Committee was held in the financial year ended 30 June 2015.

Committee Members	Executive/Non Executive	Eligible to Attend	Attended
Mr. Ahsan M. Saleem	Non-Executive Director	-	-
Mr. Ateed Riaz	Non-Executive Director	-	-
Mr. Ishaque Noor	Non-Executive Director	-	-
Ms. Nilofer Saeed	Non-Executive Director	-	-
Mr. Syed Asaad Ayub Ahmad	Executive Director	-	-

The Executive Committee

The Executive Committee (EC) 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 at TCF. It assists the Board in advising TCF management on areas for improvement. Nine meetings of the EC were held in the financial year ending 30 June 2015.

Committee Members	Executive/Non Executive	Eligible to Attend	Attended
Mr. Mushtaq K. Chhapra	Non-Executive Director	9	9
Mr. Ahsan M. Saleem	Non-Executive Director	9	6
Mr. Ateed Riaz	Non-Executive Director	9	9
Ms. Nilofer Saeed	Non-Executive Director	9	7
Mr. Syed Asaad Ayub Ahmad	Executive Director	9	9

Resource Mobilization Committee

The purpose of the Resource Mobilization Committee (RMC) is to assist the Board in reviewing and monitoring the performance of the Resource Mobilization Department and at a macro level, reviewing and improving resource mobilization strategy. One meeting of the RMC was held during the financial year ended 30 June 2015.

Committee Members	Executive/Non Executive	Eligible to Attend	Attended
Mr. Ahsan M. Saleem	Non-Executive Director	1	1
Mr. Mushtaq K. Chhapra	Non-Executive Director	1	1
Mr. Ateed Riaz	Non-Executive Director	1	1
Ms. Nilofer Saeed	Non-Executive Director	1	1
Mr. Musadaq Zulqarnain	Non-Executive Director	1	-
Mr. Ishaque Noor	Non-Executive Director	1	-
Mr. Shahid Abdulla	Non-Executive Director	1	-
Mr. Syed Asaad Ayub Ahmad	Executive Director	1	1

Technology Steering Committee

The purpose of the Committee is to oversee IT related activities and provide guidance for effective implementation of projects. The committee shall consist of at least five members. No meeting of the Committee was held in the financial year ended 30 June 2015.

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

Best Corporate Report Award

The Citizens Foundation was recognized for the 'Best Corporate Report Award 2014' in the NGO category by a Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost & Management Accountants of Pakistan (ICMAP). The award not only acknowledges compliance with minimum disclosure and governance standards but also encourages adoption of international best practices.

Financial transparency is a key priority for TCF and we are honoured to be the only organization to be recognized every year since the inception of this award for the NGO category in 2012. The award was received by TCF CEO, Syed Asaad Ayub Ahmad at the Annual Awards Ceremony held in Karachi on the 4th of September 2015.





Report of the **AUDIT COMMITTEE**

The Audit Committee comprises only of Non-Executive Directors and professional members. Details of the Directors are set out in the Profile of the Board of Directors section in this report. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Internal Auditor and External Auditor attend Audit Committee meetings by invitation. The Committee meets with the Internal Auditor and the External Auditor with and without the CEO and CFO being present. The Committee performs its functions in accordance with the TOR as approved by the Board of Directors. The Committee reviewed the following key items during the current financial year:

- Four meetings of the Audit Committee were held during FY 2014-15 and presided by the Chairman.
- The Audit Committee reviewed and approved the 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 cores 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 2015, which fairly present the state of affairs, results of operations, cash flows and
 changes in funds & reserves of the Foundation.
- 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.
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Internal Audit

- The internal control framework has been effectively implemented through an independent in-house Internal Audit function established by the Board. Schools in North and North West Regions have been outsourced to an audit firm Avais Hyder Liaquat Nauman- AHLN (Chartered Accountants) which is supervised by the Internal Audit Department of the Foundation. A performance score is being calculated for each school audited and is entered in the School Management System (SMS).
- The Internal Audit Department conducts an audit of all Regional and Area Offices and selected departments at the Head Office in accordance with the Internal Audit Plan duly approved by the Audit Committee. Guidance is provided to school management, Area and Regional Offices and Head Office departments 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 the 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.
- The Head of Internal Audit has direct access to the Chairman of Audit Committee for guidance in performing the assigned task professionally and diligently.
- Coordination between External and Internal Auditors was 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

- The statutory auditors of the Foundation, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, have completed their audit assignments of the "Foundation's Financial Statements", for the financial year ended 30 June 2015 and shall retire on the conclusion of the 19th Annual General Meeting.
- The Audit Committee has reviewed and discussed audit observations.
- 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 financial year ending 30 June 2016.

Going the Extra Mile for Education

A walk through TCF schools' corridors would have you witness a set of dedicated teachers hard at work, involved in every facet of the activities taking place at the schools. Teachers are central to the success of our institutions, as they help students undertake a lifelong journey of learning and discovery.

In order to attract good quality teaching staff and ensure the safety and convenience of our all-female faculty, TCF arranges a van service to pick them up from their doorsteps and drop them back home safely. Every day, 722 TCF vans pass through varying terrains across Pakistan, covering a distance of more than 75,000 km. To put that in perspective, this distance would be more than three round trips between Karachi and New York ... every day!



نحمده و نصلي علىٰ رسولہ الكريم

Annual Shariah Review Report

TCF is a professionally managed, non-profit and philanthropic organization 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 organizations in the field of formal education.

The organization'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 utilization of Zakat for the financial year ended 30 June 2015.

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 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: 30 July 2015

Profile of Shariah Advisor

Mufti Ibrahim Essa has completed his Darse Nizami (Masters in Quran and Sunnah) and Takhassus Fil Fiqh (Specialization 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 organizations on matters relating to Zakat. He has written more than two thousand Fatawa on a range of topics.



Notice of 19th Annual General Meeting of Members

Notice is hereby given to all members of **The Citizens Foundation that 19th Annual General Meeting** of the Foundation will be held on **Thursday, 15 October 2015 at 03:00 p.m.** at TCF Registered office, Plot No. 20, Sector 14, Korangi Industrial Area, Karachi-74900 to transact the following business:

Ordinary Business:

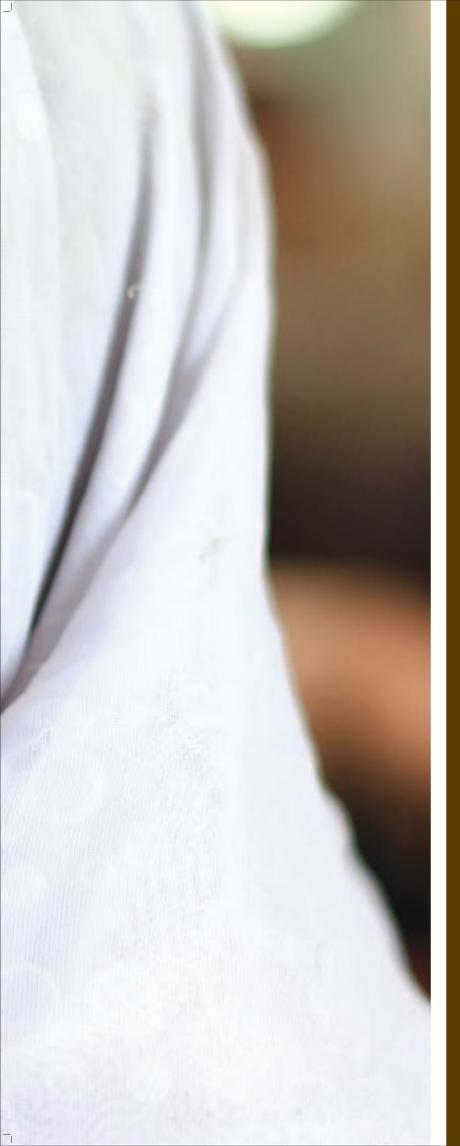
- 1. To receive, consider and adopt the Audited Financial Statements of the Foundation for the year ended 30 June 2015 together with Auditors' report thereon.
- 2. To adopt the Directors' Report and Chief Executive Review for the year ended 30 June 2015.
- 3. To appoint Foundation's Auditors for the next financial Year ending 30 June 2016 and fix their remuneration. M/s. KPMG Taseer Hadi & Co. Chartered Accountants, (having satisfactory QCR Rating of ICAP) retired and being eligible, offer themselves for reappointment.

By order of the Board.

Khwaja Bakhtiar Ahmed Company Secretary

Date: 22 September 2015 Place: Karachi





WE BELIEVE IN 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 2015 and the related income and expenditure account, statement of comprehensive income, statement of changes in funds and reserves, cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of 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;
 - 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 2015 and of the surplus, changes in funds and reserves and its cash flows for the year then ended; and
- d) In our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Date: 12 August 2015 Karachi

KAMA Tasees Hade SC

KPMG Taseer Hadi & Co. Chartered Accountants Mazhar Saleem

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

Balance Sheet

As at 30 June 2015

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	Note	2015	2014
ASSETS		(Rupees in '000)	
Non-Current assets			
Property and equipment	4	4,110,780	3,762,783
Intangible assets	5	4,133	4,206
Long term investments	6	1,330,629	712,832
Long term deposits		10,573	9,457
		5,456,115	4,489,278
Current Assets			
Advances and prepayments	7	99,096	65,345
Accrued income and other receivables	8	76,328	26,629
Short term investments	9	1,173,697	1,231,308
Cash and bank balances	10	167,651	101,304
		1,516,772	1,424,586
Total Assets		6,972,887	5,913,864
FUNDS AND LIABILITIES			
Capital fund	11	2,200	2,200
General fund		656,815	700,427
Surplus / (deficit) of income over expenditure for the year		38,991	(43,612)
Unrealized gain on remeasurement of available for sale investments		89,862	151,375
		787,868	810,390
Non-Current Liabilities			
Endowment fund	12	1,369,911	972,922
Deferred income relating to operating fixed assets	13	3,851,765	3,429,332
Deferred income relating to school support, grants and			
children education	14	565,580	461,103
		5,787,256	4,863,357
Current Liabilities			
Accrued expenses and other liabilities	15	397,763	240,117
Total Funds and Liabilities		6,972,887	5,913,864
Contingencies and Commitments	16		

The annexed notes 1 to 27 form an integral part of these financial statements.

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Chief Executive Officer

Director

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Income and Expenditure Account

For the year ended 30 June 2015

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	Note	2015 (Buncos i	2014
INCOME		(Rupees i	n '000)
Donations	17	2,089,503	1,641,888
Income on investment - net	18	82,781	72,932
Gain on disposal of fixed assets		55,260	47,245
		2,227,544	1,762,065
OPERATING EXPENDITURE			
Education Programme			
Subsidies to TCF schools	19	999,202	775,041
Books, copies, uniforms and other school supplies		267,522	216,720
Repair and maintenance charges		77,117	60,211
School vehicle running and maintenance		91,002	86,302
Teachers' training		48,524	42,362
School supervision and monitoring		147,517	121,983
Depreciation on school assets	20	328,765	285,678
Other school expenses	21	39,088	39,619
		1,998,737	1,627,916
Programme Administration			
Salaries and other benefits	22	82,152	76,224
Resource mobilization expenses		61,266	54,144
Vehicle running and maintenance		4,000	5,720
Travelling and conveyance		2,089	2,703
Utilities		4,874	4,239
Communication		2,961	4,149
Printing and stationery		5,555	3,879
Depreciation	20	17,303	15,036
Other expenses	23	9,616	11,667
		189,816	177,761
Total Operating Expenditure		2,188,553	1,805,677
Surplus / (deficit) of income over expenditure for the year		38,991	(43,612)

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

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Director

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Statement of Comprehensive Income

For the year ended 30 June 2015

	2015 (Rupee	2014 es in ' 000)
Surplus / (deficit) of income over expenditure for the year	38,991	(43,612)
Unrealized (loss) / gain on remeasurement of available for sale investments	(24,543)	65,451
Reclassification adjustments relating to gain on disposal of		
available for sale investments	(36,970)	(29,474)
Other comprehensive income for the year	(61,513)	35,977
Total comprehensive income for the year	(22,522)	(7,635)

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

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Director

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Cash Flow Statement

For the year ended 30 June 2015

	Note	2015	2014	
		(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from support donation operations	24	(456,278)	(318,389)	
Long term deposits		(1,116)	(646)	
Net cash used in operating activities		(457,394)	(319,035)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure		(698,326)	(743,733)	
Sales proceeds on disposal of fixed assets		58,322	48,057	
Investments - Long term and Short term		(565,919)	(524,351)	
Income on investments		122,591	44,153	
Net cash used in investing activities		(1,083,332)	(1,175,874)	
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital fund		-	100	
Endowment fund		396,989	611,405	
Deferred receipts relating to build donations	13	559,520	547,272	
Deferred receipts relating to school support, grants and				
children education	14	663,629	442,651	
Net cash generated from financing activities		1,620,138	1,601,428	
Net increase in cash and cash equivalents		79,412	106,519	
Cash and cash equivalents at beginning of the year		681,089	574,570	
Cash and cash equivalents at end of the year	24.2	760,501	681,089	

The annexed notes 1 to 27 form an integral part of these financial statements.

Chief Executive Officer

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Director

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Statement of Changes in Funds & Reserves

For the year ended 30 June 2015

	Capital fund	General fund	Accumulated (Deficit) / Surplus	Un-realized gain on remeasurement of available for sale investments	Total	
	······ (Rupees in '000) ······					
Balance as at 30 June 2013	2,100	763,911	(18,234)	115,398	863,175	
Transaction with members of the Foundation recognized directly in Funds and Reserves for the year ended 30 June 2014						
Contribution received during the year	100	-	-	-	100	
Transfer of deficit of income over expenditure to the general fund	-	(18,234)	18,234	-	-	
Transfer from General Fund to Sustainability Fund	-	(40,148)	-	-	(40,148)	
Transfer from General Fund to Endowment Fund	-	(5,102)	-	-	(5,102)	
Total Comprehensive income for the year						
Deficit of income over expenditure for the year	-	-	(43,612)	-	(43,612)	
Other comprehensive income						
Unrealized gain on remeasurement of available for sale investments	-	-	-	65,451	65,451	
Reclassification adjustments relating to gain on disposal of available for sale investments	-	_	-	(29,474)	(29,474)	
Total comprehensive income for the year	-	-	(43,612)	35,977	(7,635)	
Balance as at 30 June 2014	2,200	700,427	(43,612)	151,375	810,390	
Transaction with members of the Foundation recognized 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						
Unrealized 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	

The annexed notes 1 to 27 form an integral part of these financial statements.

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Chief Executive Officer

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Director

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Notes to the Financial Statements

For the year ended 30 June 2015

1. LEGAL STATUS AND NATURE OF OPERATIONS

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

- available for sale investments which are stated at their fair values.
- donated land and buildings which are stated at valuation as described in note 4.1.

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the 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.

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

Operating Fixed Assets and Intangible Assets

The Foundation reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of

operating fixed assets and intangible asset with a corresponding affect on the depreciation and amortization charge and impairment.

Held to Maturity Investment

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

Available for Sale Investment

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

2.5 New / Revised Accounting Standards, Amendments to Published Accounting Standards and Interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2015:

- 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 amortization 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 amortization 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.
- IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016. The amendments are not likely to have an impact on Foundation's financial statements.
- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on Foundation's financial statements.
- IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on Foundation's financial statements.
- IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value,

establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard is not likely to have an impact on Foundation's financial statements.

- Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The adoption of the amended standard is not likely to have an impact on Foundation's financial statements.
- Agriculture: Bearer Plants [Amendments 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 adoption of the amended standard is not likely to have an impact on Foundation's financial statements.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is 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 are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. 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 significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all years presented.

3.1 Property and Equipment

Owned

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

Subsequent costs are included in the asset's carrying amount or are recognized 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 amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives.

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

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

3.3 Investments

All investments in equity securities and units / certificates of open and closed end mutual funds classified as available for sale are initially recognized at fair value and subsequently remeasured at fair value and any resultant gain or loss recognized directly in the funds and reserves until derecognized or impaired, when the accumulated adjustments recognized in funds and reserves are included in the income and expenditure account. Any reversal in impairment loss is recognized in income and expenditure account except for equity instruments in which case it is recognized 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 recognized initially at fair value, plus attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost.

3.4 Other Payables

Other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized 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 recognized in the income and expenditure account.

3.6 Financial Instruments

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

3.7 Offsetting of Financial Assets and Financial Liabilities

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

3.8 Income Recognition

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

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

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

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

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

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

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

Income on Pakistan Investment Bonds is recognized using the effective yield basis.

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

Miscellaneous income, if any, is recognized 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 recognized 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 recognized 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.

PROPERTY AND EQUIPMENT 4.

PROPERTY AND EQUIPMENT		2015	2014
		(Rupees i	in '000)
Operating fixed assets	4.1	3,561,881	3,449,517
Capital work in progress	4.2	503,918	272,947
Advance for construction		13,403	12,205
Advance against purchase of operating fixed assets		31,578	28,114
		4,110,780	3,762,783

4.1 Operating Fixed Assets

	Schoo	l land	Buildir	ng on	2015 Furniture	Vehicles	Electrical	Office and	Total
	leasehold	freehold	leasehold land	freehold land	and	venicles	equipment	other equipments	Iotal
					(Rupees in '0	00)			
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) 2,801	-	(4,442)	(67,647 3,062
					101	2,001		100	5,002
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	
	Schoo	l land	Buildir	ng on	2014 Furniture	Vehicles	Electrical	Office and	Total
	leasehold	freehold	leasehold	freehold	and		equipment	other	i o tui
			land	land (fittings Rupees in '00)()		equipments	
At 1 July 2013				,					
					(nupees in oc				
Cost	7,665	147,120	86,868	3,121,232	262,911	477,969	18,851	66,529	4,189,145
	7,665	147,120 -	86,868 (9,751)	3,121,232 (807,800)		,	18,851 (6,992)	66,529 (35,753)	, ,
Accumulated depreciation	,	147,120 - 147,120			262,911	477,969			(1,235,411
Accumulated depreciation Net book value	-	-	(9,751)	(807,800)	262,911 (124,559)	477,969 (250,556)	(6,992)	(35,753)	(1,235,411
Accumulated depreciation Net book value	-	-	(9,751)	(807,800)	262,911 (124,559)	477,969 (250,556)	(6,992)	(35,753)	(1,235,411 2,953,734
Accumulated depreciation Net book value Additions / transfers from capital work in progress	7,665	147,120	(9,751) 77,117	(807,800) 2,313,432	262,911 (124,559) 138,352 45,185	477,969 (250,556) 227,413	(6,992) 11,859	(35,753) 30,776	(1,235,411 2,953,734 797,309
Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals	7,665	147,120	(9,751) 77,117	(807,800) 2,313,432	262,911 (124,559) 138,352 45,185 384	477,969 (250,556) 227,413	(6,992) 11,859	(35,753) 30,776	(1,235,411) 2,953,734 797,309 52,338
Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals Cost	3,751	147,120 32,803	(9,751) 77,117 3,480	(807,800) 2,313,432 528,641	262,911 (124,559) 138,352 45,185 384 (270)	477,969 (250,556) 227,413 159,735 51,417 (51,018)	(6,992) 11,859 5,302 537 (238)	(35,753) 30,776 18,412	(1,235,411 2,953,734 797,309 52,338 (51,526
Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals Cost Accumulated depreciation	7,665 3,751	147,120 32,803 - -	(9,751) 77,117 3,480 - - - -	(807,800) 2,313,432 528,641 - - -	262,911 (124,559) 138,352 45,185 384 (270) 114	477,969 (250,556) 227,413 159,735 51,417 (51,018) 399	(6,992) 11,859 5,302 537 (238) 299	(35,753) 30,776 18,412 - - - -	(1,235,411 2,953,734 797,309 52,338 (51,526 812
Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals Cost Accumulated depreciation Depreciation for the year	7,665	147,120 32,803 - - - -	(9,751) 77,117 3,480 - - - (4,218)	(807,800) 2,313,432 528,641 - - (171,739)	262,911 (124,559) 138,352 45,185 384 (270) 114 (24,671)	477,969 (250,556) 227,413 159,735 51,417 (51,018) 399 (85,496)	(6,992) 11,859 5,302 5337 (238) 299 (3,906)	(35,753) 30,776 18,412 - -	(1,235,411 2,953,734 797,309 52,338 (51,526 812
Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals Cost Accumulated depreciation Depreciation for the year	7,665 3,751 - -	147,120 32,803 - - -	(9,751) 77,117 3,480 - - - -	(807,800) 2,313,432 528,641 - - -	262,911 (124,559) 138,352 45,185 384 (270) 114	477,969 (250,556) 227,413 159,735 51,417 (51,018) 399	(6,992) 11,859 5,302 537 (238) 299	(35,753) 30,776 18,412 - - - -	(1,235,411) 2,953,734 797,309 52,338 (51,526) 812 (300,714)
Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals Cost Accumulated depreciation Depreciation for the year Closing net book value At 30 June 2014	7,665 3,751 - - - 11,416	147,120 32,803 - - - 179,923	(9,751) 77,117 3,480 - - - (4,218) 76,379	(807,800) 2,313,432 528,641 - - (171,739) 2,670,334	262,911 (124,559) 138,352 45,185 384 (270) 114 (24,671) 158,752	477,969 (250,556) 227,413 159,735 51,417 (51,018) 399 (85,496) 301,253	(6,992) 11,859 5,302 537 (238) 299 (3,906) 12,956	(35,753) 30,776 18,412 - - (10,684) 38,504	(1,235,411 2,953,734 797,309 52,338 (51,526 812 (300,714 3,449,517
Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals Cost Accumulated depreciation Depreciation for the year Closing net book value At 30 June 2014 Cost	7,665	147,120 32,803 - - - -	(9,751) 77,117 3,480 - - (4,218) 76,379 90,348	(807,800) 2,313,432 528,641 - - (171,739) 2,670,334 3,649,873	262,911 (124,559) 138,352 45,185 384 (270) 114 (24,671) 158,752 307,712	477,969 (250,556) 227,413 159,735 51,417 (51,018) 399 (85,496)	(6,992) 11,859 5,302 5337 (238) 299 (3,906)	(35,753) 30,776 18,412 - - - (10,684)	(1,235,411 2,953,734 797,309 52,338 (51,526 812 (300,714 3,449,517
Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals Cost Accumulated depreciation Depreciation for the year Closing net book value At 30 June 2014 Cost Accumulated depreciation	7,665 3,751 - - - - 11,416 - -	147,120 32,803 - - - 179,923 179,923 -	(9,751) 77,117 3,480 - - (4,218) 76,379 90,348 (13,969)	(807,800) 2,313,432 528,641 - - (171,739) 2,670,334 3,649,873 (979,539)	262,911 (124,559) 138,352 45,185 384 (270) 114 (24,671) 158,752 307,712 (148,960)	477,969 (250,556) 227,413 159,735 51,417 (51,018) 399 (85,496) 301,253 586,287 (285,034)	(6,992) 11,859 5,302 537 (238) 299 (3,906) 12,956 23,616 (10,660)	(35,753) 30,776 18,412 - - (10,684) 38,504 84,941 (46,437)	(1,235,411 2,953,734 797,309 52,338 (51,526 812 (300,714 3,449,517 4,934,116 (1,484,599
Cost Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals Cost Accumulated depreciation Depreciation for the year Closing net book value At 30 June 2014 Cost Accumulated depreciation Net book value	7,665 3,751 - - - 11,416	147,120 32,803 - - - 179,923	(9,751) 77,117 3,480 - - (4,218) 76,379 90,348	(807,800) 2,313,432 528,641 - - (171,739) 2,670,334 3,649,873	262,911 (124,559) 138,352 45,185 384 (270) 114 (24,671) 158,752 307,712	477,969 (250,556) 227,413 159,735 51,417 (51,018) 399 (85,496) 301,253 586,287	(6,992) 11,859 5,302 537 (238) 299 (3,906) 12,956 23,616	(35,753) 30,776 18,412 - - (10,684) 38,504 84,941	(1,235,411) 2,953,734 797,309 52,338 (51,526 812 (300,714) 3,449,517 4,934,116 (1,484,599
Accumulated depreciation Net book value Additions / transfers from capital work in progress Disposals Cost Accumulated depreciation Depreciation for the year Closing net book value At 30 June 2014 Cost Accumulated depreciation	7,665 3,751 - - - - 11,416 - -	147,120 32,803 - - - 179,923 179,923 -	(9,751) 77,117 3,480 - - (4,218) 76,379 90,348 (13,969)	(807,800) 2,313,432 528,641 - - (171,739) 2,670,334 3,649,873 (979,539)	262,911 (124,559) 138,352 45,185 384 (270) 114 (24,671) 158,752 307,712 (148,960)	477,969 (250,556) 227,413 159,735 51,417 (51,018) 399 (85,496) 301,253 586,287 (285,034)	(6,992) 11,859 5,302 537 (238) 299 (3,906) 12,956 23,616 (10,660)	(35,753) 30,776 18,412 - - (10,684) 38,504 84,941 (46,437)	4,189,145 (1,235,411) 2,953,734 797,309 52,338 (51,526) 812 (300,714, 3,449,517 4,934,116 (1,484,599) 3,449,517

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- **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

Book value of building on leased hold land includes	2015	2014
	(Rupees i	n '000)
School buildings	5,067	5,343
Head Office building	69,250	71,036
	74,317	76,379
Capital Work in Progress		
Balance as at 1 July	272,947	320,315
Expenditure incurred during the year	504,839	484,753
	777,786	805,068
Transferred during the year to:		
School buildings	(271,324)	(528,641)
Office building	(2,544)	(3,480)
	503,918	272,947

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

5. INTANGIBLE ASSETS

4.2

5.1

Software	5.1	3,329	2,961
Advance against purchase of software		804	1,245
	=	4,133	4,206
Software			
Net carrying value basis			
Opening net book value (NBV)		2,961	3,850
Additions (at cost)		1,640	222
Amortization charge		(1,272)	(1,111)
Closing net book value	=	3,329	2,961
Gross carrying value			
Cost		7,407	7,186
Additions (at cost)		1,640	222
Accumulated amortization		(5,718)	(4,447)
Net book value	-	3,329	2,961

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

LONG TERM INVESTMENTS		2015 (Rupee	2014 es in '000)
Held to maturity			
Pakistan Investment Bonds (PIBs)	6.1	1,117,253	457,992
Available for sale			
Certificates of closed end funds			
PICIC Growth Fund		161,195	148,300
PICIC Investment Fund		41,277	44,811
		202,472	193,111
Units of open end funds			
Meezan Balanced Fund		10,904	9,408
JS Growth Fund		-	1,643
JS Value Fund		-	1,022
PICIC Energy Fund		-	49,656
		10,904	61,729
		1,330,629	712,832

6.1 This represents investment in Pakistan Investment Bonds maturing on 18 July 2016 and 17 July 2017 and carrying yields from 10.39% to 12.50% per annum (2014: 11.97% to 12.08% per annum). The PIBs have market value of Rs. 1,200.77 million (2014: Rs. 458.24 million) as at 30 June 2015.

7. ADVANCES AND PREPAYMENTS

	Advances to staff for expenses - considered good	87,270	50,815
	Advances to suppliers - considered good	10,148	12,146
	Prepaid expenses	1,678	2,384
		99,096	65,345
8.	ACCRUED INCOME AND OTHER RECEIVABLES		
	Accrued income on investments		
	- Pakistan Investment Bonds	57,745	23,860
	- Term Deposit Receipts	13,531	1,409
	- Term Finance Certificates	-	62
		71,276	25,331
	Tax deducted at source	2,913	1,298
	Other receivable	2,139	-
		76,328	26,629

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9. SHORT TERM INVESTMENTS

2015 2014 (Rupees in '000)

Held to maturity

Term Deposit Receipts			
Local currency		070.000	110.000
Faysal Bank Limited Dubai Islamic Bank Pakistan Limited		370,000	110,000
Meezan Bank Limited		150,000	-
		150,000 50,000	-
Habib Metropolitan Bank Limited NIB Bank Limited		50,000	-
Burj Bank Limited		50,000	- 50,000
Burj Bark Linited	9.1 & 9.3	- 770,000	160,000
	9.1 & 9.3	110,000	100,000
Foreign currency			
Askari Bank Limited		-	124,196
Bank Al-Habib Limited		-	111,361
Dubai Islamic Bank Pakistan Limited		192,850	-
NIB Bank Limited		-	294,227
	9.2 & 9.3	192,850	529,784
Term Finance Certificates			
United Bank Limited - Tranche III		-	1,663
Treasury Bills			
State Bank of Pakistan	9.4	173,747	507,390
Available for sale			
Money Market Funds			
Al-Ameen Islamic Preservation Fund IV		5,351	-
Askari Sovereign Cash Fund		-	3,092
NAFA Islamic Multi Asset Fund	9.5	-	20,063
NAFA Islamic Stock Fund	9.5	31,749	-
NAFA Riba Free Saving Fund	9.5	-	3,980
UBL Islamic Sovereign Fund		-	5,336
		37,100	32,471
		1,173,697	1,231,308

- **9.1** This represents investment in local currency Term Deposit Receipts maturing between 15 July 2015 to 19 March 2016 and carry profit rate of 6.60% to 9.10% (2014: 9.00% to 9.60%) per annum.
- **9.2** This includes Term Deposit Receipts in US Dollar amounting to \$1,900,000 (2014: \$3,690,237) having maturity on 20 August 2015 carrying mark-up at 2.00% (2014: 1.25% to 2.15%) per annum.
- **9.3** This represents Term Deposit Receipts having maturity less than 3 months amounting to Rs. 592.850 million (2014: Rs. 579.785 million).
- **9.4** This represents investments in Treasury Bills having maturities ranging from 09 July 2015 to 17 September 2015 and carrying profit rates ranging from 6.88% to 7.91% (2014: 9.67% to 9.97%) per annum. The Treasury Bills have market value of Rs. 174.99 million (2014: Rs. 483.22 million) as at 30 June 2015.
- **9.5** 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

Cash in hand

Cash at bank:

	2015	2014
	(Rupees in '	000)
	100	100
r		

- current account	10.1	12,442	7,327
- deposit account	10.2 & 10.3	155,109	93,877
		167,551	101,204
		167,651	101,304

10.1 This includes foreign currency equivalent to Rs. 10.92 million (2014: Rs. 0.87 million).

- **10.2** This includes foreign currency equivalent to Rs. 3.35 million (2014: Rs. 11.06 million). Profit rate on deposit accounts ranges from 0.10% to 0.25% (2014: 0.10% to 0.25%) per annum for foreign currency deposit accounts and 4.00% to 6.50% (2014: 6.00% to 8.00%) per annum in local currency deposit accounts.
- **10.3** The deposit account also includes a security deposit of Rs. 25.87 million (2014: 21.21 million) which is kept in a separate bank account on which 4.75% (2014: 7.00%) 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

AKU Class of '94 Group Austin Group Connecticut Group Crescent Steel & Allied Products Ltd Friends and Wellwishers of Sultan Mowjee Ghulam Fatima School HBL Foundation Houston Group Indus Motor Company Interloop Welfare Trust Kansas Donors Los Angeles Group Mrs. Banu M.A. Rangoonwala Trust Microsoft Evergreen campus M. I. Naseem National Bank of Pakistan Noorani Family One Muslim - post matric students Pakistan State Oil Company Ltd Radiant Way Endowment Fund Saeeda Mazhar Mahmood Sajid Salman Seattle Group Seeds of learning The Shirin Sultan Dossa Foundation TCF - USA Wahid Maskatiya Others	21,023 18,926 12,007 11,207 33,500 19,164 36,367 50,522 20,000 36,000 10,245 18,556 12,000 18,375 19,500 17,500 13,131 10,000 17,500 80,204 33,100 18,643 17,935 37,111 654,642 49,050 10,130 73,573 1,369,911	15,257 17,332 9,908 10,000 33,500 17,145 34,333 20,152 - - 16,338 5,519 - 12,000 18,375 19,500 13,750 11,741 10,000 17,500 78,301 33,100 15,802 17,935 - 439,099 49,050 10,130 47,155 972,922
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13.	DEFERRED INCOME RELATING TO OPERATING FIXED ASSETS		2015 (Rupees i	2014 n '000)
	Opening balance		3,429,332	2,986,043
	Donations received during the year		559,520	547,272
	Amortization for the year		(137,087)	(103,983)
			3,851,765	3,429,332
14.	DEFERRED INCOME RELATING TO SCHOOL SUPPOR GRANTS AND CHILDREN EDUCATION	RT,		
	Opening balance		461,103	367,561
	Donations received during the year	14.1	663,629	482,799
	Amortization for the year		(559,152)	(389,257)
		14.2 & 14.3	565,580	461,103

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14.1 This includes grants received during the year amounting to Rs. 382.91 million (2014: Rs. 260.49 million) as follows:

	2015			
	Grants as at 01 July 2014	Grants Received during the year	Amortization for the year	Grants as at 30 June 2015
		(Rupees	s 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

	2014			
	Grants as at 01 July 2013	Grants Received during the year	Amortization for the year	Grants as at 30 June 2014
		(Rupees	in '000)	
UK Aid	-	2,063	2,063	-
Education Fund for Sindh	20,954	102,532	123,486	-
JP Morgan Chase Foundation	1,657	-	1,657	-
I-Care Foundation	-	1,399	350	1,049
Skoll Foundation	-	42,711	42,711	-
Target Foundation	1,214	2,680	2,555	1,339
Qatar Foundation	-	109,104	109,104	-
Others	1,484	-	1,484	-
	25,309	260,489	283,410	2,388

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- **14.2** This includes an amount of Rs. 312.97 million (2014: Rs. 268.41 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. 15.18 million (2014: Rs. 9.60 million).

15.	ACCRUED EXPENSES AND OTHER LIABILITIES		2015 (Rupees	2014 in '000)
	Accrued expenses		273,880	136,863
	Security deposit	10.3	25,868	21,208
	Retention money		22,233	21,853
	Scholarship		27,763	25,313
	Provision for compensated absences		19,353	12,005
	School water project		11,167	8,180
	Other liabilities		17,499	14,695
		_	397,763	240,117

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 judgment 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.

Commitments

Commitment in respect of capital expenditure amounts to Rs. 152.66 million (2014: Rs. 177.82 million).

17.	DONATIONS		2015	2014
			(Rupees i	n '000)
	Donations received during the year	17.1	1,393,264	1,148,648
	Amortized - donations related to assets	13	137,087	103,983
	Amortized - donations related to school support,			
	grants and children education	14	559,152	389,257
			2,089,503	1,641,888

17.1 This includes Zakat amounting to Rs. 284.63 million (2014: Rs. 284.82 million).

18. INCOME ON INVESTMENTS

Income from:			
- Term Finance Certificates		438	830
- Term Deposit Receipts		27,508	14,330
- Treasury Bills		19,834	46,207
- Pakistan Investment Bonds		120,756	7,378
Profit on bank accounts		12,753	12,982
Exchange (loss) / gain - net		(8,754)	3,498
Dividend income		30,669	25,139
Capital gain on disposal of investments		42,715	30,524
Income on investments		245,919	140,888
Transferred during the year to:			
Support Donation	18.1	(125,532)	(39,104)
Endowment Fund		(9,768)	(7,051)
Scholarship Fund		(1,468)	-
Sustainability Fund		(26,370)	(21,801)
		(163,138)	(67,956)
Income on investments - net		82,781	72,932

18.1 This represents income on investments from endowment fund utilized 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 TCF Schools".

20. DEPRECIATION

Depreciation has been allocated as follows:

Education Programme	328,765	285,678
Programme Administration	17,303	15,036
	346,068	300,714

21.	OTHER SCHOOL EXPENSES	2015	2014
		(Rupe	es in '000)
	Schools - medical and general insurance	14,367	17,409
	Ceremony functions and awards	11,132	8,983
	Freight charges - furniture and equipments	175	3,479
	Consultancy expenses	1,838	1,590
	Student activities	5,869	4,309
	Other school expenses	5,707	3,849
		39,088	39,619

22. SALARIES AND OTHER BENEFITS

22.1 Remuneration of Chief Executive Officer and Executives

	Chief Execut	Chief Executive Officer		Executive	
	2015	2014	2015	2014	
		····· (Rupees in '000) ·····			
Remuneration	8,480	7,680	70,534	53,696	
Number of person	1	1	69	60	

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		2015	2014
	Management and Faculty staff as on 30 June		8,807	8,133
	Management and Faculty staff -average for the year		7,756	
	Management and racitly stan -average for the year		1,100	7,126
23.	OTHER EXPENSES		2015	2014
			(Rupees	s in '000)
	Advertisement		454	212
	Amortization of intangible asset	5.1	1,272	1,111
	Auditors' remuneration		333	300
	Bank charges		1,154	1,217
	Fee and subscriptions		202	419
	Insurance		456	722
	Office expenses		1,900	1,847
	Professional charges		3,020	2,629
	Repairs and maintenance		825	3,210
			9,616	11,667
24.	CASH GENERATED FROM OPERATIONS			
	Surplus / (deficit) of income over expenditure for the year		38,991	(43,612)
	Adjustments for non cash charges and other items:			
	Depreciation	20	346,068	300,714
	Capital gain on disposal of investments	18	(42,715)	(30,524)
	Amortization of intangible asset	5.1	1,272	1,111
	Amortization of deferred income	13 & 14	(696,239)	(493,240)
	Income on investments		(168,536)	(68,745)
	Gain on sale of fixed assets		(55,260)	(47,245)
	Working capital changes	24.1	120,141	63,152
			(456,278)	(318,389)

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24.1	Working Capital Changes		2015 (Rupees in	2014 • '000)
	(Increase) / decrease in current assets			
	Advances, deposits and prepayments		(33,751)	(1,809)
	Accrued income and other receivables		(3,754)	5,731
			(37,505)	3,922
	Increase / (decrease) in current liabilities			
	Accrued expenses and other liabilities		157,646	59,230
			120,141	63,152
24.2	Cash and Cash Equivalents			
	Short term investments	9.3	592,850	579,785
	Cash and bank balances	10	167,651	101,304
		-	760,501	681,089

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

Atherton Imrooz, in which Mr. Ateed Riaz (Director of the Foundation) is also a director, has donated Rs. 0.13 million (2014: 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. 6.65 million (2014: Rs. 20.65 million) during the year.

First Imrooz Modarba, in which Mr. Ateed Riaz (Director of the Foundation) is also a director, has donated Rs. 0.05 million (2014: Rs. Nil) during the year.

Multinet Pakistan (Private) Limited, in which Mr. Adnan Asdar (Director of the Foundation) is also a director, has donated Rs. 0.44 million (2014: Rs. 0.10 million) during the year.

Interloop Limited, in which Mr. Musadaq Zulqarnain (Director of the Foundation) is also a director, has donated Rs. Nil (2014: Rs. 1.43 million) during the year.

Interloop Welfare Trust, in which Mr. Musadaq Zulqarnain (Director of the Foundation) is also a director, has donated Rs. 58.05 million (2014: Rs. 17.92 million) during the year.

Searle Pakistan (Private) Limited, in which Mr. Adnan Asdar and Mr. Rashid Abdulla (Directors of the Foundation) are also directors, has donated Rs. 10.00 million (2014: Rs. 5.30 million) during the year.

Tarseel (Private) Limited, in which Mr. Ateed Riaz (Director of the Foundation) is also a director, has donated Rs. 0.34 million (2014: Rs. 0.10 million) during the year.

Transpak (Private) Limited, in which Mr. Mushtaq K. Chhapra (Chairman of the Foundation) is also a director, has donated Rs. 0.01 million (2014: 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. 0.50 million (2014: Rs. Nil) during the year.

25.2 Donations from Directors

	(Rupees in '000)		
Ahsan M Saleem	4,285	7,412	
Ateed Riaz	50	-	
Ishaque Noor	1,023	-	
Mushtaq K. Chhapra	13	-	
Nilofer Saeed	1,105	52	
Rashid Abdulla	-	200	
Shahid Abdulla	400	-	

2014

2015

25.3 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, Vice Presidents and General Manager Operations as its key management personnel. The remuneration/compensation paid or payable to key management for employee service amounts to Rs. 21.99 million (2014: Rs. 17.74 million) during the year. Key management personnel also donated to the Foundation from their salaries an amount of Rs. 0.18 million (2014: Rs. 0.02 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. 355.67 million (2014: Rs. 541.72 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	
	2015	2014	2015	2014
EUR to PKR	120.8	138.9	113.6	134.46
GBP to PKR	159.4	168.4	159.6	167.79
USD to PKR	101.3	101.6	101.5	98.55
CHF to PKR	107.4	113.8	109.4	110.59
AED to PKR	27.6	27.7	27.6	26.83

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	
	2015	2014	2015	2014
Financial Assets	(in Percent)		(Rupees in '000)	
Fixed Rate Instruments Pakistan Investment Bonds	10.39 - 12.50	11.97 - 12.08	1,117,253	457,992
Variable Rate Instruments Term Finance Certificates	-	11.84	-	1,663

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:

		2015	2014
		(Rupees in '000)	
Long term investments	6	213,376	254,840
Long term deposits		10,573	9,457
Short term investments	9	999,950	723,918
Bank balances	10	167,551	101,204
	-	1,391,450	1,089,419

None of the above financial assets were considered to be past due or impaired for the year ended 30 June 2015.

Investment in Debt Securities

At reporting date the Foundation has invested in Pakistan Investment Bonds, units of open and closed end mutual funds, term deposit receipts and treasury bills. 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 analysis below summarizes the credit quality of the Foundation's investment in Term Finance Certificates.

Debt Securities (term finance certificates) by rating category issued by JCR-VIS credit rating Co. Ltd	2015	2014
AA	-	100%

The management believes that investment in Treasury bills and 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:

				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
			(F	Rupees in '00	0)		
Financial Liabilities							
Accrued and other liabilities	397,763	397,763	49,996	347,767	-		_
				2014			
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	After five years
			· (F	Rupees in '00	0)		
Financial Liabilities							
Accrued and other liabilities	240,117	240,117	47,166	192,951	-	-	-

26.4 Fair Value of Financial Instruments

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

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

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

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

26.5 Fund Management

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

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

27. DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on 12 August 2015.

Chief Executive Officer

Director



CODE OF CONDUCT and Governance Policies

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/unauthorized 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 Foundation
- · Breaking of safety regulations
- · Habitual resting/sleeping in 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 Foundation property
- · Mishandling/misusing Foundation resources and property
- · Reporting on duty drugged or intoxicated
- Activities bringing disrepute to Foundation
- Inappropriate public comment and/or rumour mongering
- · Use or possession of arms and explosives
- · Insubordination/failure to obey legitimate instruction

Whistle Blowing Policy

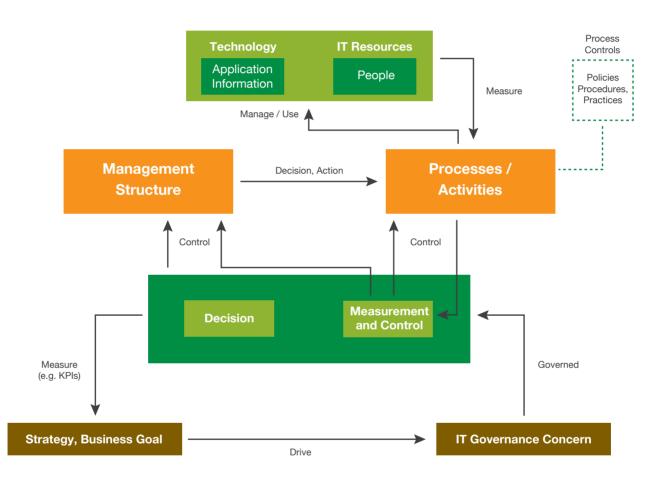
TCF has implemented a Whistle Blowing Policy with effect from 01 July 2014 as part of its broader efforts to ensure that all employees adhere to guidelines laid out in the Foundation's Code of Conduct. This policy has laid out procedures for lodging, handling and reporting of concerns whilst also ensuring the protection of a whistle blower's identity. Monitoring of the effectiveness and compliance of the Whistle Blowing Policy is to be carried out by the Audit Committee. During the year ended 30 June 2015, no complaints were reported to Whistle Blowing Unit and reported to Audit Committee.

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 Foundation's assets including virtual data. By centralizing all major business processes using Enterprise Resource Planning software i.e. Microsoft Dynamics Great Plains (MDGP), the Foundation has developed a well-organized 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 of which is headed by a Regional Manager (RM). The RMs are responsible for the performance of their respective Regions and the Head of Operations at 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 for employees to bring 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 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 a 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.

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 team reinforces accountability, transparency and organizational 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 centralized assessment system. The QA team conducts two centralized 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	Divsersified 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 recognizes 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 GoP and 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 required.

Other Stakeholders

Other stakeholders include donors, bankers, suppliers and employees. TCF engages with these stakeholders on a regular basis through meetings and other various correspondences.

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 Interbank Offer Rate
NBV	Net Book Value
NRV	Net Realizable Value
SECP	Securities and Exchange Commission of Pakistan
SR	Social Responsibility
TCF	The Citizens Foundation
TFC	Term Finance Certificate

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HELP TCF Educate Pakistan

Educate-a-Child	
Monthly Contribution	PKR 1,200
Annual Contribution	PKR 14,000
Kindergarten (KG) to Matriculation (Grade 10)	PKR 154,000
Support-a-School	
Operational Cost for a Year	PKR 2,000,000
Endowment	
Lifetime Support for a School	PKR 20,000,000
Alumni Scholarships	
Scholarship for Intermediate Level Studies (Grade 11-12)	PKR 17,000
Scholarship for Higher Education (Tertiary Level Studies) * *Amount may vary based on candidate's p	PKR 600,000 - 800,000 rogram of studies

Build-a-School

Primary School Secondary School PKR 21,600,000 PKR 23,100,000

Notes Related to Build-a-School

- Costs are for build cycle of 2015-16 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.

4 Easy Ways to Donate



Cheque Pickup Service

Give us a call on (021) 111-823-823 for cheque pickup from your doorstep in any city nationwide.



Courier

Make your cheques payable to 'The Citizens Foundation' and send via courier to:

The Citizens Foundation - Head Office, Plot No. 20, Sector 14, Korangi Industrial Area, Karachi, Pakistan. Phone: (021) 111-823-823



Online Donations

Make a real time online donation through the TCF website (www.tcf.org.pk/donate) using your Visa or MasterCard.



Direct Deposit and Funds Transfer

You can deposit your contribution directly into our accounts at any major bank in Pakistan. Bank and account details are mentioned on our website. If you wish to receive a receipt, please send us an email at info@tcf.org.pk or a letter informing us of the details of your donation.

Benefit to the Donor

Tax Exemption on Donations to The Citizens Foundation

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

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TCF Chapters and Support Groups

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

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Ahsan Ali Shahid Asad Durrani Asad Qureshi Danish Ansari Karachi Chaiwalla MBA Khan Photography Murtuza Khoso Mustafa Ilyas Wahaj Alley Xbair Mayo Photography Yusra Jabeen

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Design Support TCF Marketing Department

"Education is a matter of life or death for Pakistan."

- Quaid-e-Azam Muhammad Ali Jinnah



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