

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

SATURDAY



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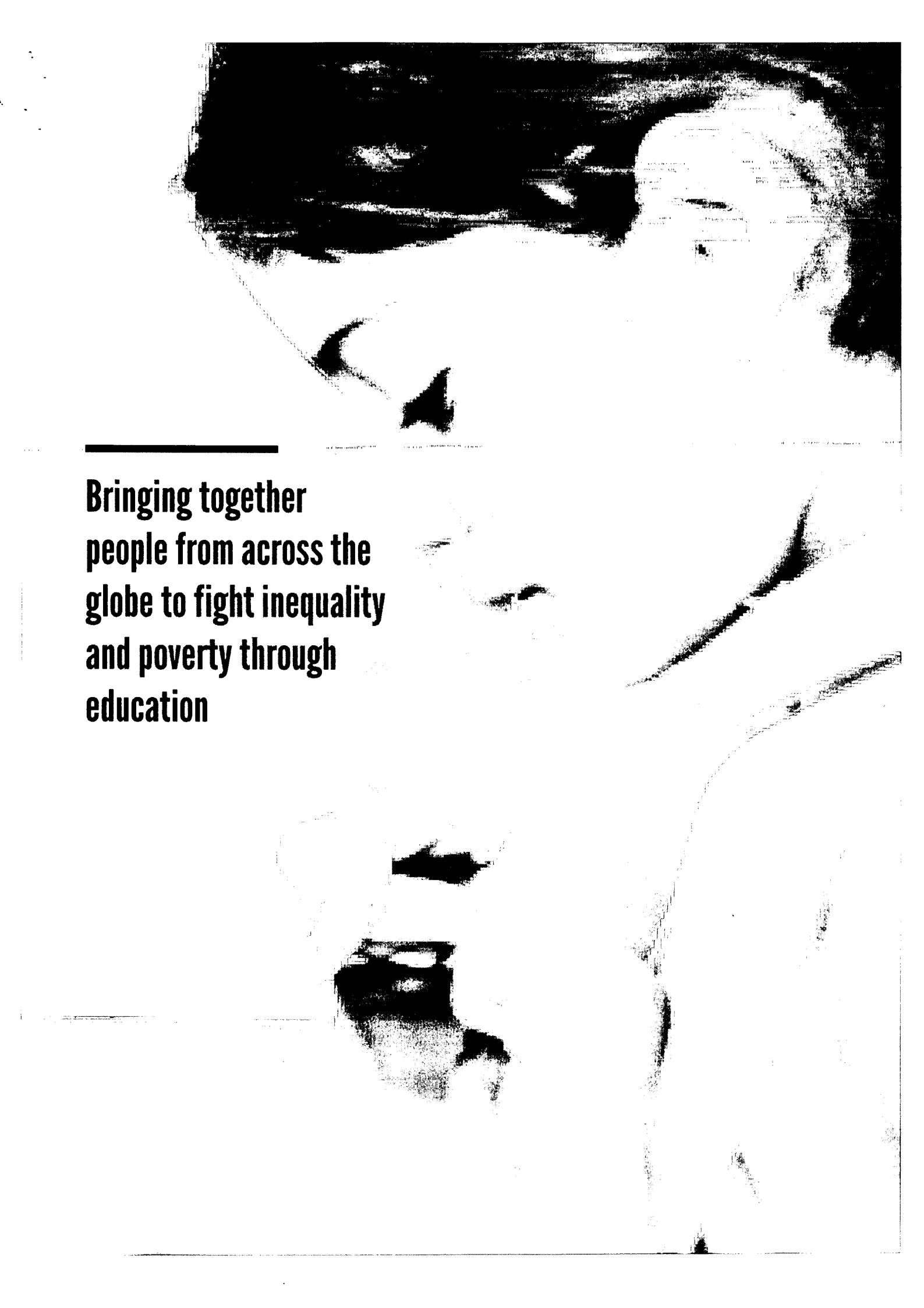
#260

COMPANIES HOUSE



THE CITIZENS FOUNDATION (UK)





**Bringing together
people from across the
globe to fight inequality
and poverty through
education**

KHYBER PAKHTUNKHWA

- | | |
|-------------|----------------|
| 1 Baitagram | 8 Muzaffarabad |
| 2 Baital | 9 Nowshera |
| 3 Dhirkot | 10 Oghi |
| 4 Islamabad | 11 Rawalakot |
| 5 Karak | 12 Shahi Bala |
| 6 Mansehra | 13 Swabi |
| 7 Mardan | 14 Taxila |

BALUCHISTAN

- 1 Dera Murad Jamali
- 2 Gaddani
- 3 Gwadair
- 4 Hub
- 5 Quetta
- 6 Winder

PUNJAB

- 1 Attock
- 2 Bahawalpur
- 3 Bhalwal
- 4 Burewala
- 5 Chakwal
- 6 Chiniot
- 7 Choa Saidan Shah
- 8 Chunian
- 9 Faisalabad
- 10 Ferozewala
- 11 Gujranwala
- 12 Isa Khel
- 13 Jaranwala
- 14 Jhang
- 15 Kasur
- 16 Khanewal
- 17 Khushab
- 18 Kot Addu
- 19 Kot Mithan
- 20 Kot Radha Kishan
- 21 Lahore
- 22 Ludhiana
- 23 Mian Channu
- 24 Mianwali
- 25 Mirzewala
- 26 Muzaffargarh
- 27 Narowal
- 28 Nishior
- 29 Pattoki
- 30 Pind Dadan Khan
- 31 Pindigheb
- 32 Rahim Yar Khan
- 33 Rajanpur
- 34 Rawalpindi
- 35 Samundri
- 36 Sheohpur
- 37 Sheikhupura
- 38 Sillanwali
- 39 Sahawa
- 40 Talagang
- 41 Taunsa
- 42 Vehari

SINDH

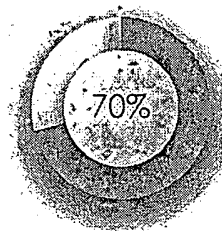
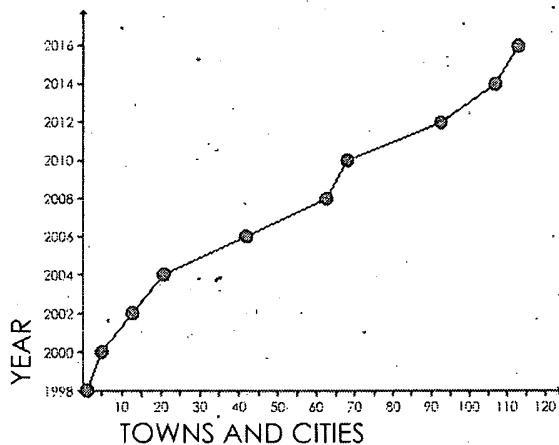
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|--------------------|---------------------|------------------------|
| 1 Badin | 18 Kandhkot | 35 Nawabshah |
| 2 Bin Qasim | 19 Karachi | 36 Nowshera |
| 3 Bulri Shah Karim | 20 Keamari | 37 Orangi Town |
| 4 Dadu | 21 Keti Bandar | 38 Pacca Chang |
| 5 Daharki | 22 Khalipur | 39 Qazi Ahmed |
| 6 Digri | 23 Korangi | 40 Rata Dero |
| 7 Gadap Town | 24 Kotri | 41 Rohri |
| 8 Gambat | 25 Landhi | 42 Saddar Town |
| 9 Ghaghar Phatak | 26 Laikana | 43 Saleh Pat |
| 10 Gharabari | 27 Lalifabad | 44 Sinjhoro |
| 11 Garho | 28 Malir Cantonment | 45 Sehwan |
| 12 Hala | 29 Malir | 46 Shaheed Fazul Rahu |
| 13 Hyderabad | 30 Malir | 47 Sukkur |
| 14 Jacobabad | 31 Mirpur Khās | 48 Tando Adam |
| 15 Jamshoro | 32 Mirpur Sakro | 49 Tando Allahyar |
| 16 Jhangesar | 33 Moro | 50 Tando Mohammad Khan |
| 17 Johi | 34 New Karachi | 51 Thatta |

 1,202 school units

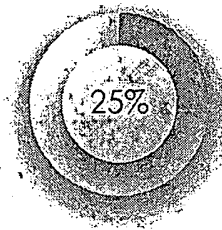
 175,000 children enrolled

 10,100 all-female faculty

 53,000 women in our literacy programme



70% TCF graduates pursue secondary education compared to the national average of 46%



25% TCF graduates go on to pursue tertiary education compared to the national average of 9.8%

TRUSTEES' FOREWARD

Dear Friends,

Since 2001, TCF-UK supporters have been instrumental as advocates and supporters in our mission towards improving access to quality education in rural areas and urban slums across Pakistan.

This past year, thanks to our supporters, we have reached some important milestones. We now have 1,202 school units, 10,100 female faculty and 175,000 students, making us one of the largest networks of non-profit schools in the world.

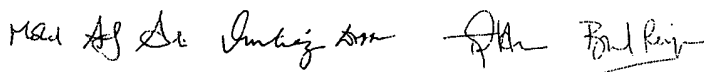
At TCF, we measure our progress not just by the number of children we have in our schools, but more importantly, the quality of education we are able to provide them.

Whether we are expanding our current programmes or embarking on something new, our mission remains unchanged: fighting poverty and illiteracy through education. In 2016, we're looking to reach even bigger milestones as we embark on our Public Private Partnerships programme.

TCF-UK is always looking to expand our reach through the active support of our donors. To that end, we are working hard to build on our relationships with existing donors, to spread the word about TCF to more people and build long lasting partnerships that we can rely on for the future. If you are happy with the work that we do, and want to do more in the form of community building, please do not hesitate to reach out to us to find out how you can help spread the word

We hope you are inspired by the pages that follow and appreciate the progress TCF has made – a progress, which would have been made impossible without your unwavering support.

With warm wishes,



TCF-UK Trustees



-Children in a village, Sindh, Pakistan, April 2012- by OFID is licensed under CC BY 2.0

WHY PAKISTAN?

More than
24 million
children
out-of-school
across Pakistan,
the second largest
number in the world
after Nigeria

As you read this, Pakistan is in a state of an education emergency.

Over half of Pakistan's 182 million people live below the poverty line. (World Bank, 2015). With a national literacy rate of just 57%, and with more than 24 million children out of school, there is very little sense of respite in the foreseeable future (Alif Ailaan, 2016). Pakistani children born in low income backgrounds today are less likely to break out of poverty than they were twenty years ago.

Gender barriers in Pakistan exacerbate the issue even further: female literacy is at 45.8% and female employment at 20%, the lowest in South Asia (World Fact Book, 2015).

These figures are against the backdrop of an overburdened and dilapidated school system. With the government spending just 3% of its GDP on education, state schools are often inadequate, inaccessible or non-existent. Out of a total of 227,791 educational institutions covered by the National Education Census in 2005, 67% were operated by the public sector, out of which 40% had no bathrooms, 56% had no electricity, 32% had no drinking water, 38% had no boundary walls, and 7% had no building.

The Solution is TCF

These are the gaps and problems that The Citizens Foundation (TCF) was created to tackle. Since its inception in 1995, TCF has grown to become one of Pakistan's largest educational charities serving over 175,000 students across the country.



WHO WE ARE

TCF's vision is a Pakistan free from class barriers and privilege where all citizens, regardless of gender, ethnicity or class can participate in society.

Founded in 1995, TCF's aim is to facilitate upward social mobility in Pakistan's most deprived areas by providing quality education. Our ethos is to create and sustain the conditions that will enable vulnerable children to go to school, providing them with the tools they need to reach their full potential.

TCF's school facilities, highly qualified teaching staff, and means tested tuition fees are designed to ensure that all students, regardless of circumstances, are able to receive an education without compromising on the basic necessities of life, such as food, water and clothing.

In just twenty years, we have achieved phenomenal results with more than 175,000 students and a near 50:50 gender ratio across all our schools.

TCF schools are in locations all across Pakistan, serving not only as spaces for learning, but as centres for the community: providing services such as adult literacy classes, water wells, and youth mentorship programmes.

Education for Girls

Providing girls with access to education is at the heart of our ethos and many of our female students are the first in their family to attend school.

Our outreach campaigns aim to establish community trust and encourage families to send their daughters to school.

Our all-female faculty ensure that our girls have the chance to learn in an environment that is safe and comfortable. Our progressive scholarship policy ensures that young women from TCF schools are afforded the opportunity to pursue higher education and a career after graduating from our schools. To that end TCF has created over 14,000 jobs, of which 10,100 are faculty roles filled by women. In



a society where positive female role models are hard to find our teachers are an example of what is possible.

Affordable Tuition Fees

To engender ownership and participation, TCF charges a minimal, means-tested fee, which is capped at 5% of household income. This ensures that there is no undue burden on multiple-child households. TCF relies on donors for 89% of each school's running cost.

TCF subsidises the cost of school uniforms, textbooks and other school supplies through donations, to ensure fees remain affordable even in Pakistan's most impoverished areas so that a TCF education is not beyond the reach of any child or family.

High-Quality Education

The quality of education we provide is important to our mission. Our syllabus is specially designed to serve communities that suffer from intergenerational cycles of illiteracy and poverty. It equips our students with critical thinking and an emphasis on social responsibility.

We invest our resources into curriculum development to make sure

the quality of education we provide supercedes what they could otherwise receive in a public education system. We use an enhanced version of the state curriculum and actively pioneer teaching-aids, books and student materials, and place emphasis on hands on activities and critical thinking skills. English is introduced from Class I (age 5), far in advance of government curriculum requirements.

In addition, TCF schools use innovative education programmes including "Accelerated Learning" to help older children who have never been to school to catch up with their peers, providing basic literacy and numeracy skills.

TCF Alumni Breaking Barriers

Our success in providing quality education is reflected in the outstanding academic performance of our students. In the most recent academic year, 91% of TCF students passed nationwide year 10 exams, compared to the 56% national average.

Our graduates have the opportunity to avail scholarships through TCF, and some TCF students now study at the most prestigious universities in the country, taking advantage of opportunities that would never have been available to them without TCF.



OUR PROGRAMMES

PRIORITISING QUALITY EDUCATION

Teacher Training

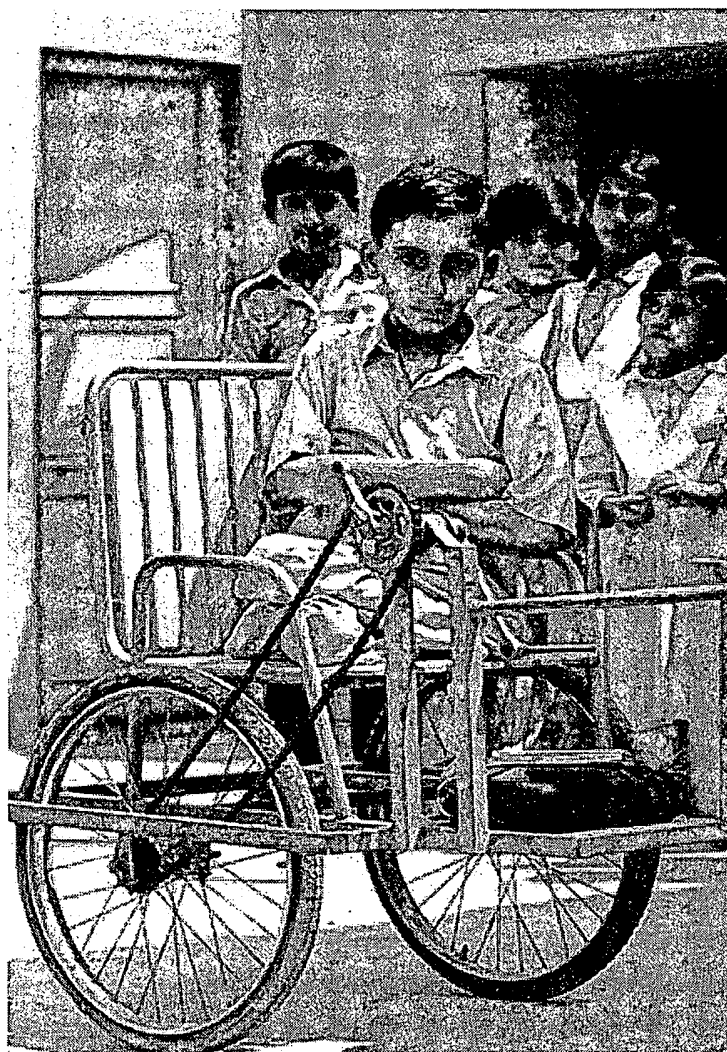
TCF recognises that its most valuable resource in the fight against illiteracy are its teachers.

Finding qualified teachers in the places TCF operates in - which are regularly afflicted by poverty, instability and violence - is challenging. Many teachers across Pakistan, especially in rural areas, are hired with as little as a secondary school qualification and receive almost no on the job training (UNESCO Pakistan, 2006-07). These teachers struggle to meet the needs of their students, contributing to the high dropout rates in these areas.

TCF on the other hand, provides well trained, local teaching posts to over 10,100 women across Pakistan. Teachers are hired based on merit and receive over 100 hours of pre-service training before being allowed to step foot in a classroom. Throughout the year, TCF teachers are required to participate in at least 70 hours of in-service training and are subject to rigorous monitoring and evaluation. Our Learning Management System (LMS) is designed to supplement our teacher training programme by providing teaching aids and competency tests to ensure that the quality of education our teachers provide is the best possible. This level of investment in the teaching faculty is comparable to private schools in Pakistan.

Our teacher training programme focuses on the professional development and capacity building of principals and teachers. We focus on fostering strong leadership and management skills with the aim of increasing student achievement and nurturing community-school relations.

By empowering women in local communities we ensure continued community buy-in for future generations of TCF students, contributing to a significantly lower dropout rate across TCF schools.



Water Projects

Polluted water causes a staggering 40% of deaths in Pakistan (Mohsin et al, 2013)). Access to clean drinking water presents a serious challenge in Pakistan, resulting in the spread of water related diseases including diarrhoea, hepatitis, and typhoid. For school children, this means missing school due to water and sanitation diseases.

The effects of polluted water do not stop here. Women and girls often have to travel long distances to collect water for their families. As a result girls are often taken out of school to do water fetching duties.

Many TCF schools are located in areas where there is limited access to clean drinking water. In partnership with Community Advisory Welfare Services (CAWS) and So Safe Pakistan, TCF has begun rolling out water wells to provide access to quality drinking water in communities where its schools are located. After a successful pilot, TCF plans to install water filtration plants across all TCF school locations, with the help of its partners. In 2015, TCF set up six water wells, taking the total number of plants to 14 across the country.





Alumni Development Programme

Pakistan has one of the lowest numbers of university graduates in the world with only 6 per cent of people between the ages of 17-23 years enrolled in higher education (British Council, 2015). Among the students who do attend university, retention rates are low.

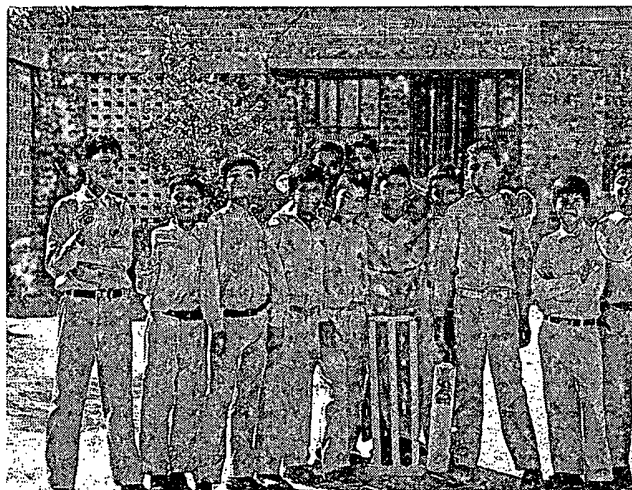
At TCF, we encourage our students to continue on with higher education. We offer full college and university scholarships – and with the help of our supporters – equip our alumni with the skills to become the next generations of entrepreneurs, politicians, doctors and lawyers in the country.

TCF's Alumni Office provides one-on-one career counselling, vocational and employment opportunities across Pakistan.

Adult Literacy Programme

Pakistan has one of the lowest literacy rates in the world, with more than 50 million illiterate people with a literacy rate of a mere 45.8% for adult women and 69% for men.

Women, especially, have trouble accessing quality education, not just physically but also culturally and financially.



TCF's Aagahi Adult Literacy programme is designed to provide basic literacy and numeracy skills in poor neighborhoods. Classes are held at or in close vicinity to TCF schools. At the end of a typical three-month 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 market place.

The programme benefits illiterate community members aged 12-65 living in the vicinity of a TCF school and who have never been to school. As of 2015, the programme has over 53,000 learners enrolled in over 2,800 centres across the country.

Rahbar

Rahbar is a mentorship programme for young adults. TCF began its flagship mentorship programme in 2008. The programme aims to nurture creativity, confidence and critical thinking skills in our students.

The programme provides volunteer mentors for eighth and ninth grade students. TCF children interact with their mentors at an important stage in their lives, enabling them to forge connections outside their immediate community. It exposes them to potential career paths that they would not be exposed to otherwise.

Today, the programme serves over 19,000 mentees with the help of 4,000 mentor volunteers from across the country.



LOOKING AHEAD

Now that we've crossed the 1,000 mark, TCF is setting sights on even greater ambitious goals including higher secondary education, public-private partnerships, the use of technology to achieve higher quality learning outcomes and ways of achieving sustainable income.

Higher Secondary Education

TCF's alumni now number over 125,000. Most students get admission in government intermediate colleges which are more affordable, but notorious for not holding regular classes, reflecting in poor academic performance.

TCF is looking to expand its educational services beyond grade X (Matric) to cater to those alumni who want to pursue higher education.

In May 2016, TCF launched the pilot of its Higher Secondary College in Karachi.

Public-Private Partnership Agreement

In 2015, TCF signed its first MOU with the Khyber Pakhtunkhwa government. In 2016, TCF is exploring partnerships with Sindh and Punjab.

The long term objectives are to optimise public sector performance by improving the quality of education, in government schools increasing enrolment, improving education outcomes, reducing operational costs and alleviating inequality.

Information Technology

At TCF, we face the daunting task of how to deliver more services in a cost effective way, to reduce administration costs and increase our operating efficiency.

This year, TCF will launch its Learning Management System (LMS) on a wider scale. The LMS system serves to improve the quality of our teaching staff through regular competency tests in order to evaluate their strengths and weaknesses. It also provides teachers with e-content to improve their knowledge, critical thinking and pedagogical skills.

Similarly, our newly developed Fleet Management System provides automated support to over 800 vehicles across the country.

Sustainability

TCF's Endowment Fund aims to support the programmes of the Foundation and expand its remit. Endowment assets are invested and its excess income is paid out annually to support the mission.

In 2015, TCF's Endowment Fund saw a growth of 41% from Rs. 972.9 million (US \$9.6 million) to Rs. 1,369.9 (US\$13.5 million). TCF and its international chapters, including TCF-UK are working together to establish the 'TCF Future Fund'. The goal is to establish a total endowment value of US \$100 million in order to achieve sustainable income for the benefit of TCF schools in perpetuity.





UZMA'S STORY

My name is Uzma Salim. My family lives in a slum near my father's workplace in the North Karachi Industrial Area. It was my parent's strong wish to send me to school but the nearest one was 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 into school. This led two other families to follow in our example and three children and I began to walk together to school every day, 45 minutes each way.

When I was in grade seven, TCF opened a secondary school in our 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.

In TCF I started learning everything from the difference between 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 fulfil 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 my campus.

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.

I completed my BSc 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 a teacher and then as a trainer, I decided to pursue an MBA.

After many struggles my dreams gradually started coming true. I topped in my MBA final exams and was nominated for a gold medal. Then my research paper was published in the internationally acclaimed 'European Scientific Journal'. And finally, I passed the extremely tough selection process of CSS – 2014. I placed 17th out of 13,000 candidates and was assigned to the Pakistan Audit and Accounts services as the 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!

* Note: This text is an abridged version of Uzma's account that appears in the 2015 TCF Pakistan Annual Report

"Thanks to my teachers, I became the first girl in my community and family to go to college".



ACTIVITIES IN THE UK

ACHIEVEMENTS AND PROGRESS AT TCF-UK

TCF-UK has been raising funds and awareness for TCF since 2001 and is one of the largest international TCF chapters. Our principal objective is to raise awareness of, and funds for TCF, Pakistan's leading charity in the field of formal education for underprivileged children.

None of our success would be made possible without our active community of supporters who, year after year, demonstrate an inspiring level of commitment to our mission, both as advocates and as donors. Their dedication and enthusiasm has pushed TCF-UK from strength to strength.

To our more than 300 (and growing) monthly donors whose sponsorship provides TCF a lifeline, our major donors, corporates, trusts and foundations whose contributions make a mark on entire towns and villages, and to our enthusiastic volunteers who have put in countless hours towards the cause: on behalf of everyone a TCF education reaches, *thank you*.



Income

Totals	Running costs of schools	Building schools	Endowment fund	
£	£	£	£	
1,142,620	763,668	7,303	371,649	Individuals, including gift aid
9,874	9,874	-	-	- Fundraising events
5,395	5,395	-	-	- Corporates
225,666	225,666	-	-	- Grants: Trusts & Foundations
1,383,555	1,004,603	7,303	371,649	
534	534			Investment income
1,384,089	1,005,137	7,303	371,649	2015 total incoming resources
1,003,893	796,089	126,000	81,804	2014 total incoming resources

Total gift aid receivable for 2015 and included above was £42,660 (2014: £43,052).

Our Activities

During the year, TCF-UK provided grants totalling £977,725 to TCF (2014: £824,369).

Total	Support	Build	Endowment	
£	£	£	£	
977,725	876,636	7,108	93,981	2015 grants provided to TCF
824,369	692,994	126,000	5,375	2014 grants provided to TCF

The 2015 support grants of £876,636 to TCF paid the full running costs of 65 TCF schools, teaching 10,175 students. This amounted to just over 6.2% of TCF's total expenditure on running its schools.

Since 2001 a total of 42 TCF schools have been built by TCF-UK donors, of which 18 now run afternoon shifts, for a total of 60 school units (48 primary and 12 secondary).

The endowment donations of £371,649 were from donors that have previously funded the building of TCF schools. Their endowment income will be used towards supporting their schools.

Restricted funds of £412,017 on the Balance Sheet at 31 December 2015 were made up of the endowment funds of £371,649 and £40,368 of support funds, the latter having been remitted to TCF.

PFL: Overseas Pakistanis Education Foundation - Pakistan Foundation London

As mentioned in our 2014 Annual Report, PFL is discontinuing its activities and, after consultation with its donors, has transferred its assets, database and income stream to TCF-UK. For a limited period, part of PFL's ongoing income stream shall be applied by TCF-UK towards grants to former PFL beneficiaries. Thus, in 2015, TCF-UK made grants of £21,253 to former PFL beneficiaries: all schools and educational institutions in Pakistan that serve the poorest segment of the population. These were in addition to the above grants to TCF.

INVEST IN TCF

TCF-UK is grateful to our long list of individuals, corporates, trusts and foundations who have shown us tremendous support. Our success would not be possible without you

For more information on giving a gift to TCF-UK please call 020 3585 3011/12 or email info@tcf-uk.org. Cheques can be made payable and sent to:

TCF-UK
48 Charlotte Street
London, W1T 2NS

It does not take much to make a big difference in the way of supporting education for underprivileged children in Pakistan. Here are some of the ways your donation can change a life of a child, a family and a community:

- £9** can support one child through education for a month
- £109** can support one child through education for an entire year
- £130** sponsors one child through intermediate level education
- £624** can restock an entire school library
- £1,196** can support a child through education from KG to Metric
- £2,609** can support a classroom for a year
- £7,500** can sponsor one deserving TCF alumni through their 5 year medical degree
- £15,942** can support the running costs of a school of up to 180 children for one year

Ways to donate:

One-off Donations

Make a one-off donation in your name or in the name of a close loved one in support of a classroom, library or a school unit.

Direct Debits

£9 a month can help TCF provide an education to Pakistan's most vulnerable children. Match your donation through your employer

Match your donation through your employer

Many companies match donations that their employees make to charity. Increase the value of your contribution by taking advantage of your company's matching gift scheme.

Get Involved

Whether you are an individual, a university society or a community group, there are many ways you can get involved to help raise awareness of our cause, such as: holding an information evening among your friends, family and colleagues to raise awareness, organising your own fundraising event (whether big or small), such as an Iftaar party, musical night or film screening and doing challenges to raise funds for TCF (such as a sponsored run).



WHO WE ARE

Volunteers

None of our work would be possible without the hard work and dedication of TCF-UK's active volunteers who have worked tirelessly this year to help make our success possible:

Ayesha Babar
Maham Elshoura
Ayesha Malik
Usman Malik
Ali Shahid
Sahar Zafar
Sara Zafar

...and countless others

TCF-UK Team

Shazia Syed - Director of Fundraising
Zaynab Hasan - Volunteer & Admin Coordinator
Sumaiya Virji - Fundraising & Advocacy Executive

Trustees

TCF-UK Trustees are responsible for the Foundation's strategic direction and custodianship of resources and fundraising activities undertaken.

Atif Ali

Atif first started volunteering for TCF-UK in 2006 having established CVBoosters with some friends as a fundraising venture for the cause. He works as a research analyst in the city.

Imtiaz Dossa

Imtiaz has been a supporter of TCF since its inception in Pakistan in 1996 and has supported female education since before then. Until 2010, Imtiaz was also a trustee of a major international charity. Prior to this, Imtiaz ran a trading company and qualified as a Chartered Accountant.

Tariq Hussain

Tariq has been associated with TCF since 1998, firstly as a donor and then as part of the team that registered TCF UK as a registered charity in 2001. Tariq is an investment banker and Chartered Accountant by profession and holds an MBA from IMD, Lausanne.

Bilal Raja

Bilal has been a supporter of TCF since 1998, and then as a Trustee in the UK since 2008. By profession, Bilal is a fund manager in the city and holds a Masters in Finance from London Business School and is a qualified Chartered Financial Analyst.







THE CITIZENS FOUNDATION (UK)

48 Charlotte Street, London, W1T 2NS | T: 020 3585 3011/ 12 | E: info@tcf-uk.org | w:www.tcf-uk.org
Registered Charity Number: 1087864 (England and Wales)

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

COMPANY INFORMATION

DIRECTORS:	T R Hussain B Raja M A Ali N Haider (resigned 17 November 2015) I S Dossa
SECRETARY:	T R Hussain
REGISTERED OFFICE:	10 Margaret Street London W1W 8RL
REGISTERED NUMBER:	4075959 (England & Wales)
CHARITY NUMBER:	1087864 (England & Wales)
AUDITORS:	Haines Watts Chartered Accountants Statutory Auditors Aissela, 46 High Street, Esher, Surrey, KT10 9QY
BANKERS:	HSBC Bank plc 95 Grace Church Street London EC3V 0DQ

TRUSTEES' REPORT

The Trustees (who are directors for the purposes of the Companies Act 2006) present their report with the Financial Statements of the Company for the year ended 31 December 2015 in accordance with Section 416 of the Companies Act 2006. The Trustees confirm that the Annual Report and the Financial Statements of the Company comply with current statutory requirements, the requirements of the Company's governing documents and are in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities effective 1 January 2015.

CONSTITUTION, POLICIES AND OBJECTIVES

The Citizens Foundation (UK) (TCF-UK) is constituted as a company limited by guarantee incorporated on 21 September 2000 (No: 4075959), and registered as a charity in England and Wales on 6 August 2001 (No: 1087864).

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

TRUSTEES' REPORT (cont'd)

TCF-UK's principal objective is to raise awareness of and funds for The Citizens Foundation (TCF), Pakistan's leading charity in the field of formal education for underprivileged children.

There have been no changes in the objectives since the last Annual Report.

In earlier pages of this Annual Report, the Trustees have provided a great deal of additional detail and analysis of the income and expenditure of the Charity as well as comprehensive information on TCF: its work, ethos, current status and future plans and aspirations.

The Trustees have considered the Charity Commission's guidance on public benefit and believe that our work and purposes clearly meet the public benefit requirement.

FUTURE PLANS

TCF-UK is committed to support the long-term, sustained growth of TCF. Our priority in 2015 continues to be to build a passionate, committed and diversified donor-base to provide a secure and sustainable foundation for TCF. TCF's schools nurture a tolerant, economically self-reliant and civic-minded nation.

MEMBERSHIP

TCF-UK is currently not a member of any professional body or umbrella organisation, other than TCF. The Trustees are satisfied with the results and activities of the Company for the year and do not anticipate any significant changes in the forthcoming year.

RESERVES POLICY

TCF-UK aims to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately one year's on-going expenditure on the governance, management and administration of the charity. The Trustees believe this should provide sufficient funds to enable the charity to respond to unexpected contingencies.

At 31 December 2015 total unrestricted retained funds were £94,059 (2014: £110,384) which is broadly in accordance with the above basis.

RISK MANAGEMENT

The Trustees have assessed the major risks to which TCF-UK is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems are in place to mitigate their exposure to the major risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

All the Trustees participate in the management of the Charity. Existing Trustees appoint new trustees after a six-month pre-appointment induction process. The Trustees rely on the excellent guidance for new and existing trustees published by the Charity Commission.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Citizens Foundation (UK) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

TRUSTEES' REPORT (cont'd)

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRSSE);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

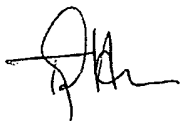
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

TCF-UK's Financial Statements are subject to a statutory audit. This has been completed by Haines Watts.

The report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

Signed on behalf of the Board:



T R HUSSAIN
18 August 2016

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015
Independent Auditor's Report to the members of
The Citizens Foundation (UK) Limited (By Guarantee)

We have audited the financial statements of The Citizens Foundation (UK) for the year ended 31 December 2015 which comprise Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

INDEPENDENT AUDITOR'S REPORT (Cont.)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jane Wills FCA
Senior Statutory Auditor

For and on behalf of

Haines Watts
Chartered Accountants
Statutory Auditors
Aissela
46 High Street
Esher
Surrey
KT10 9QY

2 September 2016



THE CITIZENS FOUNDATION (UK)

Annual Report and Financial Statements
for the year ended 31 December 2015

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Income (from individuals, corporations and trusts & foundations)					
Donations, grants and endowments	1	534,803	838,878	1,373,681	994,858
Other trading activities (fundraising events)	1	9,874	-	9,874	8,911
Income from Investments	1	<u>534</u>	<u>-</u>	<u>534</u>	<u>124</u>
Total income and endowments		<u>545,211</u>	<u>838,878</u>	<u>1,384,089</u>	<u>1,003,893</u>
Expenditure					
Cost of raising funds	1	107,153	-	107,153	97,490
Expenditure on Charitable activities	1	<u>454,383</u>	<u>548,051</u>	<u>1,002,434</u>	<u>847,825</u>
Total expenditure		<u>561,536</u>	<u>548,051</u>	<u>1,109,587</u>	<u>945,315</u>
Net gains/(losses) on investments	3 & 5	<u>-</u>	<u>23,760</u>	<u>23,760</u>	<u>-</u>
Net income/(expenditure) and net movement in funds for the year		(16,325)	314,587	298,262	58,578
Reconciliation of funds					
Total funds brought forward		<u>110,384</u>	<u>97,430</u>	<u>207,814</u>	<u>149,236</u>
Total funds carried forward	3, 11 & 12	<u>94,059</u>	<u>412,017</u>	<u>506,076</u>	<u>207,814</u>

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

BALANCE SHEET as at 31 December 2015

	Notes	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	4	570		847	
Investments (endowment fund) 3, 5 & 12		<u>376,860</u>		<u>-</u>	
			377,430		847
CURRENT ASSETS					
Cash at bank and in hand	12	134,196		204,415	
Debtors	6 & 12	<u>4,783</u>		<u>12,054</u>	
		138,979		216,469	
Creditors Amounts falling due within one year	7 & 12	<u>(10,333)</u>		<u>(9,502)</u>	
NET CURRENT ASSETS			<u>128,646</u>		<u>206,967</u>
			<u>506,076</u>		<u>207,814</u>
REPRESENTED BY					
Accumulated Funds					
Unrestricted funds	11 & 12		94,059		110,384
Restricted funds	3, 11 & 12		<u>412,017</u>		<u>97,430</u>
			<u>506,076</u>		<u>207,814</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Signed on behalf of the Board



T R HUSSAIN
Director
Approved by the Board on 18 August 2016



I S DOSSA
Director

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS

1) ACCOUNTING POLICIES

Basis of preparation of Financial Statements:

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Company Status

The Company is a company limited by guarantee. The members of the Company are the Trustees named above. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Company.

Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be used solely for a particular purpose, for example to build or support the running costs of a nominated school or other defined educational purpose.

Income Recognition policies

Income is recognised and included in the accounts when all of the following criteria are met:

- The Charity has entitlement to the funds;
- Any performance conditions have been met;
- There is sufficient certainty that the receipt of the income is considered probable; and
- The amount can be measured reliably.

Gift aid: Income includes gift aid outstanding and receivable from HMRC at the year end.

Donated Services:

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the accounts.

Donated Shares:

Donated shares are initially recognised at the share price on the date of transfer to the charity. They are subsequently recognised at fair value at the balance sheet date, as detailed in the Fixed Asset Investments accounting policy on page 28.

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Cont)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Cost of raising funds - £107,153 is comprised of wages (see note 8) and other costs incurred in raising awareness of and funds for TCF, managing the day-to-day running of the Charity and complying with its legal obligations (2014: £97,490).
- Expenditure on Charitable activities - £1,002,434 is comprised of:
 - £977,725 of school support, build and endowment grants to TCF (2014: £824,369)
 - £ 21,253 of school support grants to PFL's former beneficiaries (2014: £20,000) and
 - £ 3,456 statutory audit fee (2014: £3,456)

Leasing Commitments

The rental payments under operating leases are recognised on a straight-line basis over the lease term.

Tangible Fixed Assets

All assets costing under £500 are capitalised in the year of purchase, but are written down to a value of £1. Assets costing more than £500 are capitalised and are depreciated at 33% on the reducing balance basis.

Fixed Asset Investments

Fixed asset investments consist of listed investments. Investments are valued at their fair value measured using the share price at the balance sheet date.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2) TRUSTEES EXPENSES & REMUNERATION

During the year none of the Trustees received any remuneration, benefits in kind or expenses.

THE CITIZENS FOUNDATION (UK)

**Annual Report and Financial Statements
for the year ended 31 December 2015**

NOTES TO THE FINANCIAL STATEMENTS (Cont)

3) RESTRICTED FUNDS

Restricted funds of £412,017 on the Balance Sheet at 31 December 2015 were made up of:

- £ 35,157 which has been remitted to TCF after the year end (2014: £97,430); and
- £376,860 being the value at 31 December 2015 of quoted shares received during the year by the Charity from a donor for an endowment fund. The value of the shares had increased during the year by £23,760, from £353,100 at the date the donation was received. The shares continue to be held by the Charity. The dividend income and, potentially, any gains in the value of these shares shall only be used towards the support costs of existing and future schools built by that donor. No dividends were received during the year. The donation value and year end value were based on fair value being the closing price on the London Stock Exchange on the day the shares were transferred to the Charity and 31 December 2015 respectively (2014: nil).

4) TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office equipment - 33% on the reducing balance basis

Cost

	Office Equipment £
At 01 January 2015	9,877
Additions in the year	<u>796</u>
At 31 December 2015	<u>10,673</u>

Depreciation

At 01 January 2015	9,030
Charge for year	<u>1,073</u>
At 31 December 2015	<u>10,103</u>

Net Book Value

At 31 December 2015	<u>570</u>
At 31 December 2014	<u>847</u>



THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Cont)

5) INVESTMENTS (endowment fund)

	Listed investments £
Cost or valuation	
At 1 January 2015	-
Additions	353,100
Disposals	-
Revaluations	<u>23,760</u>
At 31 December 2015	<u>376,860</u>
 Carrying amount	
At 31 December 2015	<u>376,860</u>
At 31 December 2014	<u>-</u>

6) DEBTORS: Amounts falling due within one year

	2015 £	2014 £
Other debtors	<u>4,783</u>	<u>12,054</u>

7) CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Accruals	3,994	4,324
Other creditors	<u>6,339</u>	<u>5,178</u>
Total	<u>10,333</u>	<u>9,502</u>

8) WAGES

	2015 £	2014 £
Salaries	69,644	65,246
Social security costs	<u>4,041</u>	<u>5,989</u>
	<u>73,685</u>	<u>71,235</u>

Average number of employees 3 3

No employee was paid more than £60,000 (2014: nil)

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Cont)

9) OPERATING LEASES

The following operating lease payments are committed to be paid within one year:

	2015 £	2014 £
Expiring:		
Within one year	<u>9,332</u>	<u>8,446</u>
	<u>9,332</u>	<u>8,446</u>

10) RELATED PARTY TRANSACTIONS

As in previous years, all the Trustees have made donations to the Charity, the total of these donations being about 5% of the income of the Charity. As in previous years, there were no payments made to any trustee and no other related party transactions.

11) ANALYSIS OF MOVEMENT OF UNRESTRICTED AND RESTRICTED FUNDS

	Balance 1 January 2015 £	Income £	Expenditure £	Funds 31 December 2015 £
Unrestricted funds	110,384	545,211	561,536	94,059
Restricted funds				
- Investments: endowment fund				
- received	-	353,100	-	353,100
- net gain on investment	-	23,760	-	23,760
- Investments: endowment fund	-	376,860	-	376,860
- other restricted funds	97,430	485,778	548,051	35,157
Restricted funds	97,430	862,638	548,051	412,017

	Balance 1 January 2014 £	Income £	Expenditure £	Funds 31 December 2014 £
Unrestricted funds	117,059	466,347	473,021	110,384
Restricted funds	32,177	537,546	472,294	97,430

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Cont)

12) ANALYSIS OF NET ASSETS BETWEEN FUNDS

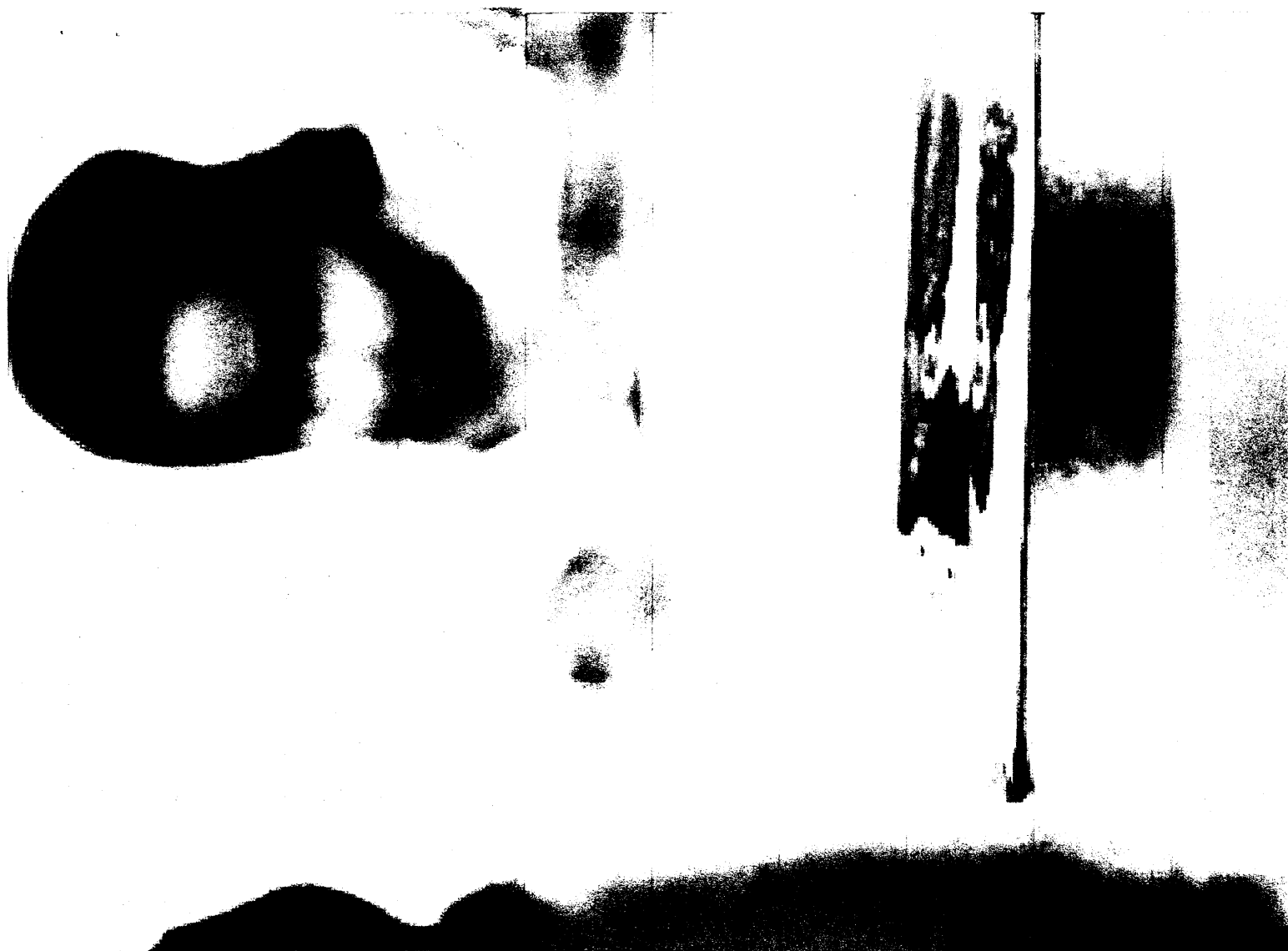
	Unrestricted funds	Restricted funds Investments	Restricted funds Others	Totals
	£	£	£	£
Fixed (tangible) assets	570	0	0	570
Investments: endowment fund	0	376,860	0	376,860
Cash at bank	99,039	0	35,157	134,196
Other current assets/liabilities	(5,550)	0	0	(5,550)
Total	94,059	376,860	35,157	506,076
Total restricted funds			412,017	

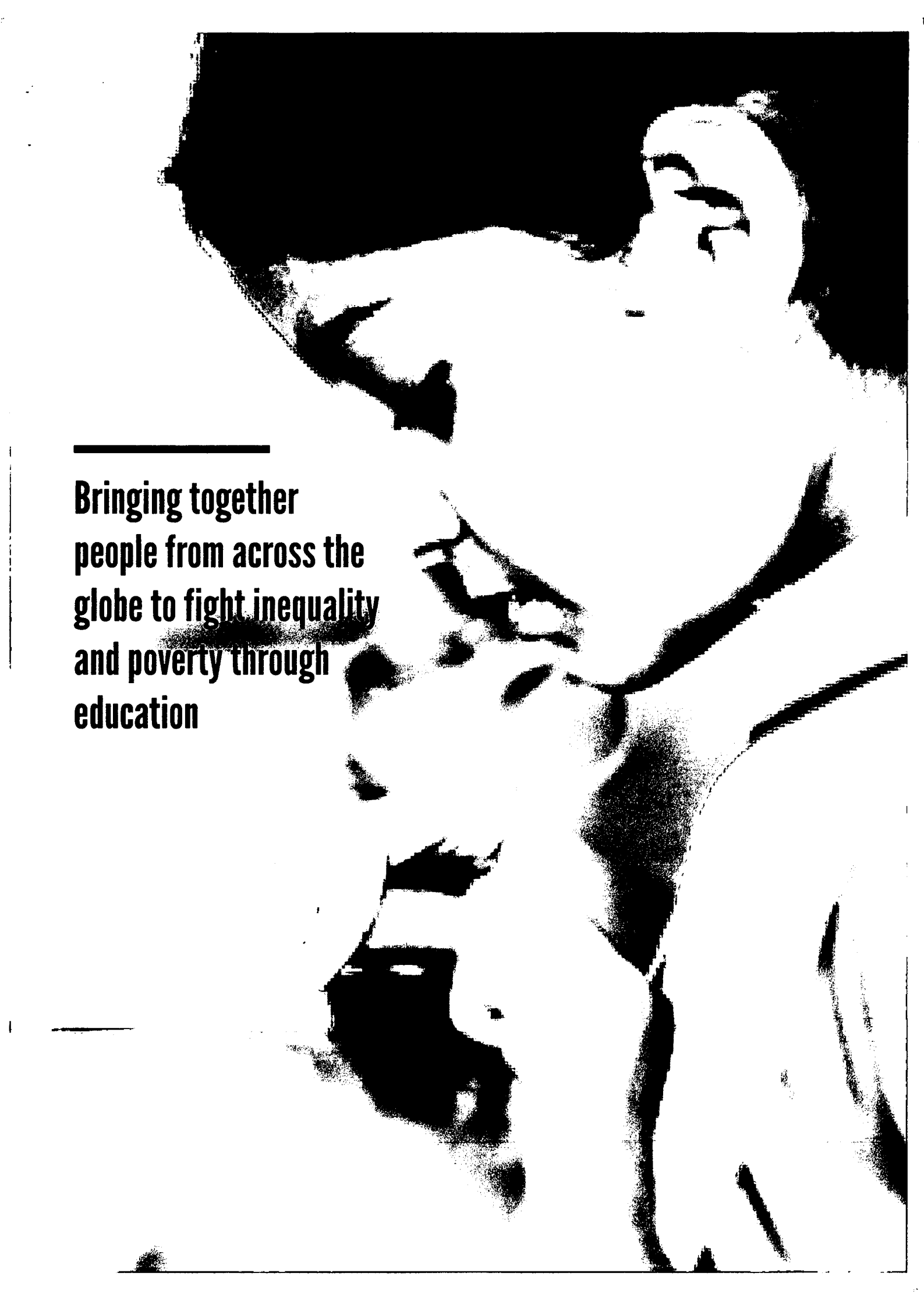


ANNUAL REPORT AND
FINANCIAL STATEMENTS
2015



THE CITIZENS FOUNDATION (UK)





**Bringing together
people from across the
globe to fight inequality
and poverty through
education**

KHYBER PAKHTUNKHWA

- | | |
|-------------|----------------|
| 1 Battagram | 8 Muzaffarabad |
| 2 Battal | 9 Nowshera |
| 3 Dhirkot | 10 Oghi |
| 4 Islamabad | 11 Rawalakot |
| 5 Karak | 12 Shahi Bala |
| 6 Mansehra | 13 Swabi |
| 7 Mardan | 14 Taxila |

PUNJAB

- 1 Attock
- 2 Bahawalpur
- 3 Bhalwal
- 4 Burewala
- 5 Chakwal
- 6 Chiniot
- 7 Choa Saidan Shah
- 8 Chunian
- 9 Faisalabad
- 10 Ferozewala
- 11 Gujranwala
- 12 Isa Khel
- 13 Jaranwala
- 14 Jhang
- 15 Kasur
- 16 Khanewal
- 17 Khushāb
- 18 Kot Addu
- 19 Kot Mitthan
- 20 Kot Radha Kishan
- 21 Lahore
- 22 Lodhrān
- 23 Mian Channu
- 24 Mianwali
- 25 Mirzewala
- 26 Muzaffargarh
- 27 Narowal
- 28 Nishtar
- 29 Pattoki
- 30 Pind Dadan Khan
- 31 Pindigheb
- 32 Rahim Yar Khan
- 33 Rajanpur
- 34 Rawalpindi
- 35 Samundri
- 36 Shahpur
- 37 Sheikhupura
- 38 Sillanwali
- 39 Sohawa
- 40 Talagang
- 41 Taunsa
- 42 Vehāri

BALUCHISTAN

- 1 Dera Murad Jamali
- 2 Gaddani
- 3 Gwadad
- 4 Hub
- 5 Quetta
- 6 Winder


SINDH

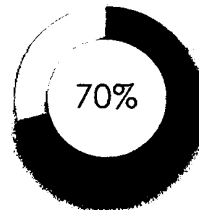
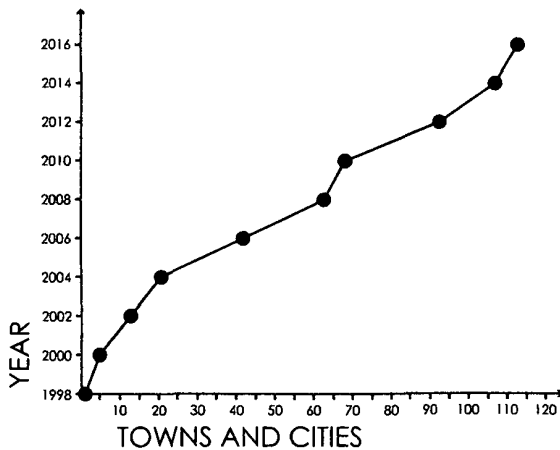
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|--------------------|---------------------|------------------------|
| 1 Badin | 18 Kandhkot | 35 Nawabshah |
| 2 Bin Qasim | 19 Karachi | 36 Nowsherferoz |
| 3 Bulri Shah Karim | 20 Keamari | 37 Orangi Town |
| 4 Dādu | 21 Keti Bandar | 38 Pacca Chang |
| 5 Daharki | 22 Khairpur | 39 Qazi Ahmed |
| 6 Dighi | 23 Korangi | 40 Rato Dero |
| 7 Gadap Town | 24 Kotri | 41 Rohri |
| 8 Gambat | 25 Landhi | 42 Sadder Town |
| 9 Ghagar Phatak | 26 Larkana | 43 Saleh Pot |
| 10 Ghorabari | 27 Latifabad | 44 Sinjhoro |
| 11 Garho | 28 Malir Cantonment | 45 Sehwan |
| 12 Hala | 29 Mafiat | 46 Shaheed Fazul Rahu |
| 13 Hyderabad | 30 Matli | 47 Sukkur |
| 14 Jacobabad | 31 Mirpur Khās | 48 Tando Adam |
| 15 Jamshoro | 32 Mirpur Sakro | 49 Tando Allahyar |
| 16 Jhangesar | 33 Moro | 50 Tando Mohammad Khan |
| 17 Johi | 34 New Karachi | 51 Thatta |

 **1,202** school units

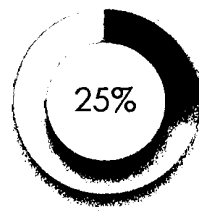
 **175,000** children enrolled

 **10,100** all-female faculty

 **53,000** women in our literacy programme



70% TCF graduates pursue secondary education compared to the national average of 46%



25% TCF graduates go on to pursue tertiary education compared to the national average of 9.8%



TRUSTEES' FOREWARD

Dear Friends,

Since 2001, TCF-UK supporters have been instrumental as advocates and supporters in our mission towards improving access to quality education in rural areas and urban slums across Pakistan.

This past year, thanks to our supporters, we have reached some important milestones. We now have 1,202 school units, 10,100 female faculty and 175,000 students, making us one of the largest networks of non-profit schools in the world.

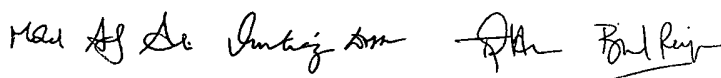
At TCF, we measure our progress not just by the number of children we have in our schools, but more importantly, the quality of education we are able to provide them.

Whether we are expanding our current programmes or embarking on something new, our mission remains unchanged: fighting poverty and illiteracy through education. In 2016, we're looking to reach even bigger milestones as we embark on our Public Private Partnerships programme.

TCF-UK is always looking to expand our reach through the active support of our donors. To that end, we are working hard to build on our relationships with existing donors, to spread the word about TCF to more people and build long lasting partnerships that we can rely on for the future. If you are happy with the work that we do, and want to do more in the form of community building, please do not hesitate to reach out to us to find out how you can help spread the word

We hope you are inspired by the pages that follow and appreciate the progress TCF has made – a progress, which would have been made impossible without your unwavering support.

With warm wishes,



TCF-UK Trustees



Children in a village, Sindh, Pakistan, April 2012 by DFID is licensed under CC BY 2.0

WHY PAKISTAN?

More than
24 million
children
out-of-school
across Pakistan,
the second largest
number in the world
after Nigeria

As you read this, Pakistan is in a state of an education emergency.

Over half of Pakistan's 182 million people live below the poverty line. (World Bank, 2015). With a national literacy rate of just 57%, and with more than 24 million children out of school, there is very little sense of respite in the foreseeable future (Alif Ailaan, 2016). Pakistani children born in low income backgrounds today are less likely to break out of poverty than they were twenty years ago.

Gender barriers in Pakistan exacerbate the issue even further: female literacy is at 45.8% and female employment at 20%, the lowest in South Asia (World Fact Book, 2015).

These figures are against the backdrop of an overburdened and dilapidated school system. With the government spending just 3% of its GDP on education, state schools are often inadequate, inaccessible or non-existent. Out of a total of 227,791 educational institutions covered by the National Education Census in 2005, 67% were operated by the public sector, out of which 40% had no bathrooms, 56% had no electricity, 32% had no drinking water, 38% had no boundary walls, and 7% had no building.

The Solution is TCF

These are the gaps and problems that The Citizens Foundation (TCF) was created to tackle. Since its inception in 1995, TCF has grown to become one of Pakistan's largest educational charities serving over 175,000 students across the country.

THE CITIZENS FOUNDATION



WHO WE ARE

TCF's vision is a Pakistan free from class barriers and privilege where all citizens, regardless of gender, ethnicity or class can participate in society.

Founded in 1995, TCF's aim is to facilitate upward social mobility in Pakistan's most deprived areas by providing quality education. Our ethos is to create and sustain the conditions that will enable vulnerable children to go to school, providing them with the tools they need to reach their full potential.

TCF's school facilities, highly qualified teaching staff, and means tested tuition fees are designed to ensure that all students, regardless of circumstances, are able to receive an education without compromising on the basic necessities of life, such as food, water and clothing.

In just twenty years, we have achieved phenomenal results with more than 175,000 students and a near 50:50 gender ratio across all our schools.

TCF schools are in locations all across Pakistan, serving not only as spaces for learning, but as centres for the community: providing services such as adult literacy classes, water wells, and youth mentorship programmes.

Education for Girls

Providing girls with access to education is at the heart of our ethos and many of our female students are the first in their family to attend school.

Our outreach campaigns aim to establish community trust and encourage families to send their daughters to school.

Our all-female faculty ensure that our girls have the chance to learn in an environment that is safe and comfortable. Our progressive scholarship policy ensures that young women from TCF schools are afforded the opportunity to pursue higher education and a career after graduating from our schools. To that end TCF has created over 14,000 jobs, of which 10,100 are faculty roles filled by women. In

a society where positive female role models are hard to find our teachers are an example of what is possible.

Affordable Tuition Fees

To engender ownership and participation, TCF charges a minimal, means-tested fee, which is capped at 5% of household income. This ensures that there is no undue burden on multiple-child households. TCF relies on donors for 89% of each school's running cost.

TCF subsidises the cost of school uniforms, textbooks and other school supplies through donations, to ensure fees remain affordable even in Pakistan's most impoverished areas so that a TCF education is not beyond the reach of any child or family.

High-Quality Education

The quality of education we provide is important to our mission. Our syllabus is specially designed to serve communities that suffer from intergenerational cycles of illiteracy and poverty. It equips our students with critical thinking and an emphasis on social responsibility.

We invest our resources into curriculum development to make sure

the quality of education we provide supercedes what they could otherwise receive in a public education system. We use an enhanced version of the state curriculum and actively pioneer teaching-aids, books and student materials, and place emphasis on hands on activities and critical thinking skills. English is introduced from Class I (age 5), far in advance of government curriculum requirements.

In addition, TCF schools use innovative education programmes including "Accelerated Learning" to help older children who have never been to school to catch up with their peers, providing basic literacy and numeracy skills.

TCF Alumni Breaking Barriers

Our success in providing quality education is reflected in the outstanding academic performance of our students. In the most recent academic year, 91% of TCF students passed nationwide year 10 exams, compared to the 56% national average.

Our graduates have the opportunity to avail scholarships through TCF, and some TCF students now study at the most prestigious universities in the country, taking advantage of opportunities that would never have been available to them without TCF.



OUR PROGRAMMES

PRIORITISING QUALITY EDUCATION

Teacher Training

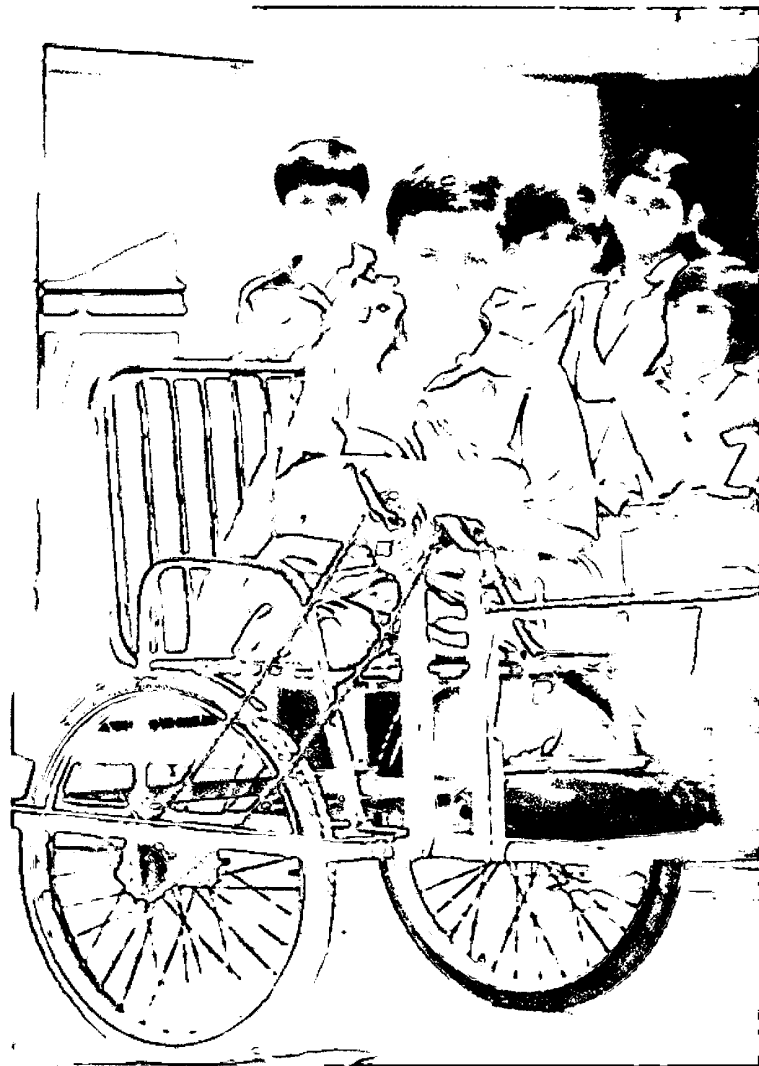
TCF recognises that its most valuable resource in the fight against illiteracy are its teachers.

Finding qualified teachers in the places TCF operates in - which are regularly afflicted by poverty, instability and violence - is challenging. Many teachers across Pakistan, especially in rural areas, are hired with as little as a secondary school qualification and receive almost no on the job training (UNESCO Pakistan, 2006-07). These teachers struggle to meet the needs of their students, contributing to the high dropout rates in these areas.

TCF on the other hand, provides well trained, local teaching posts to over 10,100 women across Pakistan. Teachers are hired based on merit and receive over 100 hours of pre-service training before being allowed to step foot in a classroom. Throughout the year, TCF teachers are required to participate in at least 70 hours of in-service training and are subject to rigorous monitoring and evaluation. Our Learning Management System (LMS) is designed to supplement our teacher training programme by providing teaching aids and competency tests to ensure that the quality of education our teachers provide is the best possible. This level of investment in the teaching faculty is comparable to private schools in Pakistan.

Our teacher training programme focuses on the professional development and capacity building of principals and teachers. We focus on fostering strong leadership and management skills with the aim of increasing student achievement and nurturing community-school relations.

By empowering women in local communities we ensure continued community buy-in for future generations of TCF students, contributing to a significantly lower dropout rate across TCF schools.



Water Projects

Polluted water causes a staggering 40% of deaths in Pakistan (Mohsin et al, 2013)). Access to clean drinking water presents a serious challenge in Pakistan, resulting in the spread of water related diseases including diarrhoea, hepatitis, and typhoid. For school children, this means missing school due to water and sanitation diseases.

The effects of polluted water do not stop here. Women and girls often have to travel long distances to collect water for their families. As a result girls are often taken out of school to do water fetching duties.

Many TCF schools are located in areas where there is limited access to clean drinking water. In partnership with Community Advisory Welfare Services (CAWS) and So Safe Pakistan, TCF has begun rolling out water wells to provide access to quality drinking water in communities where its schools are located. After a successful pilot, TCF plans to install water filtration plants across all TCF school locations, with the help of its partners. In 2015, TCF set up six water wells, taking the total number of plants to 14 across the country.



Alumni Development Programme

Pakistan has one of the lowest numbers of university graduates in the world with only 6 per cent of people between the ages of 17-23 years enrolled in higher education (British Council, 2015). Among the students who do attend university, retention rates are low.

At TCF, we encourage our students to continue on with higher education. We offer full college and university scholarships – and with the help of our supporters – equip our alumni with the skills to become the next generations of entrepreneurs, politicians, doctors and lawyers in the country.

TCF's Alumni Office provides one-on-one career counselling, vocational and employment opportunities across Pakistan.

Adult Literacy Programme

Pakistan has one of the lowest literacy rates in the world, with more than 50 million illiterate people with a literacy rate of a mere 45.8% for adult women and 69% for men.

Women, especially, have trouble accessing quality education, not just physically but also culturally and financially.



TCF's Aagahi Adult Literacy programme is designed to provide basic literacy and numeracy skills in poor neighborhoods. Classes are held at or in close vicinity to TCF schools. At the end of a typical three-month 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 market place.

The programme benefits illiterate community members aged 12-65 living in the vicinity of a TCF school and who have never been to school. As of 2015, the programme has over 53,000 learners enrolled in over 2,800 centres across the country.

Rahbar

Rahbar is a mentorship programme for young adults. TCF began its flagship mentorship programme in 2008. The programme aims to nurture creativity, confidence and critical thinking skills in our students.

The programme provides volunteer mentors for eighth and ninth grade students. TCF children interact with their mentors at an important stage in their lives, enabling them to forge connections outside their immediate community. It exposes them to potential career paths that they would not be exposed to otherwise.

Today, the programme serves over 19,000 mentees with the help of 4,000 mentor volunteers from across the country.



LOOKING AHEAD

Now that we've crossed the 1,000 mark, TCF is setting sights on even greater ambitious goals including higher secondary education, public-private partnerships, the use of technology to achieve higher quality learning outcomes and ways of achieving sustainable income.

Higher Secondary Education

TCF's alumni now number over 125,000. Most students get admission in government intermediate colleges which are more affordable, but notorious for not holding regular classes, reflecting in poor academic performance.

TCF is looking to expand its educational services beyond grade X (Matric) to cater to those alumni who want to pursue higher education.

In May 2016, TCF launched the pilot of its Higher Secondary College in Karachi.

Public-Private Partnership Agreement

In 2015, TCF signed its first MOU with the Khyber Pakhtunkhwa government. In 2016, TCF is exploring partnerships with Sindh and Punjab.

The long term objectives are to optimise public sector performance by improving the quality of education, in government schools increasing enrolment, improving education outcomes, reducing operational costs and alleviating inequality.

Information Technology

At TCF, we face the daunting task of how to deliver more services in a cost effective way, to reduce administration costs and increase our operating efficiency.

This year, TCF will launch its Learning Management System (LMS) on a wider scale. The LMS system serves to improve the quality of our teaching staff through regular competency tests in order to evaluate their strengths and weaknesses. It also provides teachers with e-content to improve their knowledge, critical thinking and pedagogical skills.

Similarly, our newly developed Fleet Management System provides automated support to over 800 vehicles across the country.

Sustainability

TCF's Endowment Fund aims to support the programmes of the Foundation and expand its remit. Endowment assets are invested and its excess income is paid out annually to support the mission.

In 2015, TCF's Endowment Fund saw a growth of 41% from Rs. 972.9 million (US \$9.6 million) to Rs. 1,369.9 (US\$13.5 million). TCF and its international chapters, including TCF-UK are working together to establish the 'TCF Future Fund'. The goal is to establish a total endowment value of US \$100 million in order to achieve sustainable income for the benefit of TCF schools in perpetuity.



UZMA'S STORY

My name is Uzma Salim. My family lives in a slum near my father's workplace in the North Karachi Industrial Area. It was my parent's strong wish to send me to school but the nearest one was 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 into school. This led two other families to follow in our example and three children and I began to walk together to school every day, 45 minutes each way.

When I was in grade seven, TCF opened a secondary school in our 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.

In TCF I started learning everything from the difference between 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 fulfil 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 my campus.

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.

I completed my BSc in Mathematics and Statistics in First Division from the University of Karachi, and started teaching English in the TCF Primary School in Saeendad Goth. After three years of working with TCF as a teacher and then as a trainer, I decided to pursue an MBA.

After many struggles my dreams gradually started coming true. I topped in my MBA final exams and was nominated for a gold medal. Then my research paper was published in the internationally acclaimed 'European Scientific Journal'. And finally, I passed the extremely tough selection process of CSS – 2014. I placed 17th out of 13,000 candidates and was assigned to the Pakistan Audit and Accounts services as the 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!

"Thanks to my teachers, I became the first girl in my community and family to go to college".

* Note: This text is an abridged version of Uzma's account that appears in the 2015 TCF Pakistan Annual Report

ACTIVITIES IN THE UK

ACHIEVEMENTS AND PROGRESS AT TCF-UK

TCF-UK has been raising funds and awareness for TCF since 2001 and is one of the largest international TCF chapters. Our principal objective is to raise awareness of, and funds for TCF, Pakistan's leading charity in the field of formal education for underprivileged children.

None of our success would be made possible without our active community of supporters who, year after year, demonstrate an inspiring level of commitment to our mission, both as advocates and as donors. Their dedication and enthusiasm has pushed TCF-UK from strength to strength.

To our more than 300 (and growing) monthly donors whose sponsorship provides TCF a lifeline, our major donors, corporates, trusts and foundations whose contributions make a mark on entire towns and villages, and to our enthusiastic volunteers who have put in countless hours towards the cause: on behalf of everyone a TCF education reaches, *thank you*.



Income

Totals	Running costs of schools	Building schools	Endowment fund	
£	£	£	£	
1,142,620	763,668	7,303	371,649	Individuals, including gift aid
9,874	9,874	-	-	- Fundraising events
5,395	5,395	-	-	- Corporates
225,666	225,666	-	-	- Grants: Trusts & Foundations
1,383,555	1,004,603	7,303	371,649	
534	534			Investment income
1,384,089	1,005,137	7,303	371,649	2015 total incoming resources
1,003,893	796,089	126,000	81,804	2014 total incoming resources

Total gift aid receivable for 2015 and included above was £42,660 (2014: £43,052).

Our Activities

During the year, TCF-UK provided grants totalling £977,725 to TCF (2014: £824,369).

Total	Support	Build	Endowment	
£	£	£	£	
977,725	876,636	7,108	93,981	2015 grants provided to TCF
824,369	692,994	126,000	5,375	2014 grants provided to TCF

The 2015 support grants of £876,636 to TCF paid the full running costs of 65 TCF schools, teaching 10,175 students. This amounted to just over 6.2% of TCF's total expenditure on running its schools.

Since 2001 a total of 42 TCF schools have been built by TCF-UK donors, of which 18 now run afternoon shifts, for a total of 60 school units (48 primary and 12 secondary).

The endowment donations of £371,649 were from donors that have previously funded the building of TCF schools. Their endowment income will be used towards supporting their schools.

Restricted funds of £412,017 on the Balance Sheet at 31 December 2015 were made up of the endowment funds of £371,649 and £40,368 of support funds, the latter having been remitted to TCF.

PFL: Overseas Pakistanis Education Foundation - Pakistan Foundation London

As mentioned in our 2014 Annual Report, PFL is discontinuing its activities and, after consultation with its donors, has transferred its assets, database and income stream to TCF-UK. For a limited period, part of PFL's ongoing income stream shall be applied by TCF-UK towards grants to former PFL beneficiaries. Thus, in 2015, TCF-UK made grants of £21,253 to former PFL beneficiaries: all schools and educational institutions in Pakistan that serve the poorest segment of the population. These were in addition to the above grants to TCF.

INVEST IN TCF

TCF-UK is grateful to our long list of individuals, corporates, trusts and foundations who have shown us tremendous support. Our success would not be possible without you

For more information on giving a gift to TCF-UK please call 020 3585 3011/12 or email info@tcf-uk.org. Cheques can be made payable and sent to:

TCF-UK
48 Charlotte Street
London, W1T 2NS

It does not take much to make a big difference in the way of supporting education for underprivileged children in Pakistan. Here are some of the ways your donation can change a life of a child, a family and a community:

- £9** can support one child through education for a month
- £109** can support one child through education for an entire year
- £130** sponsors one child through intermediate level education
- £624** can restock an entire school library
- £1,196** can support a child through education from KG to Metric
- £2,609** can support a classroom for a year
- £7,500** can sponsor one deserving TCF alumni through their 5 year medical degree
- £15,942** can support the running costs of a school of up to 180 children for one year

Ways to donate:

One-off Donations

Make a one-off donation in your name or in the name of a close loved one in support of a classroom, library or a school unit.

Direct Debits

£9 a month can help TCF provide an education to Pakistan's most vulnerable children. Match your donation through your employer

Match your donation through your employer

Many companies match donations that their employees make to charity. Increase the value of your contribution by taking advantage of your company's matching gift scheme.

Get Involved

Whether you are an individual, a university society or a community group, there are many ways you can get involved to help raise awareness of our cause, such as: holding an information evening among your friends, family and colleagues to raise awareness, organising your own fundraising event (whether big or small), such as an Iftaar party, musical night or film screening and doing challenges to raise funds for TCF (such as a sponsored run).

WHO WE ARE

Volunteers

None of our work would be possible without the hard work and dedication of TCF-UK's active volunteers who have worked tirelessly this year to help make our success possible:

Ayesha Babar
Maham Elshoura
Ayesha Malik
Usman Malik
Ali Shahid
Sahar Zafar
Sara Zafar

...and countless others

TCF-UK Team

Shazia Syed - Director of Fundraising
Zaynab Hasan - Volunteer & Admin Coordinator
Sumaiya Virji - Fundraising & Advocacy Executive

Trustees

TCF-UK Trustees are responsible for the Foundation's strategic direction and custodianship of resources and fundraising activities undertaken.

Atif Ali

Atif first started volunteering for TCF-UK in 2006 having established CVBoosters with some friends as a fundraising venture for the cause. He works as a research analyst in the city.

Imtiaz Dossa

Imtiaz has been a supporter of TCF since its inception in Pakistan in 1996 and has supported female education since before then. Until 2010, Imtiaz was also a trustee of a major international charity. Prior to this, Imtiaz ran a trading company and qualified as a Chartered Accountant.

Tariq Hussain

Tariq has been associated with TCF since 1998, firstly as a donor and then as part of the team that registered TCF UK as a registered charity in 2001. Tariq is an investment banker and Chartered Accountant by profession and holds an MBA from IMD, Lausanne.

Bilal Raja

Bilal has been a supporter of TCF since 1998, and then as a Trustee in the UK since 2008. By profession, Bilal is a fund manager in the city and holds a Masters in Finance from London Business School and is a qualified Chartered Financial Analyst.



THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

COMPANY INFORMATION

DIRECTORS:	T R Hussain B Raja M A Ali N Haider (resigned 17 November 2015) I S Dossa
SECRETARY:	T R Hussain
REGISTERED OFFICE:	10 Margaret Street London W1W 8RL
REGISTERED NUMBER:	4075959 (England & Wales)
CHARITY NUMBER:	1087864 (England & Wales)
AUDITORS:	Haines Watts Chartered Accountants Statutory Auditors Aissela, 46 High Street, Esher, Surrey, KT10 9QY
BANKERS:	HSBC Bank plc 95 Grace Church Street London EC3V 0DQ

TRUSTEES' REPORT

The Trustees (who are directors for the purposes of the Companies Act 2006) present their report with the Financial Statements of the Company for the year ended 31 December 2015 in accordance with Section 416 of the Companies Act 2006. The Trustees confirm that the Annual Report and the Financial Statements of the Company comply with current statutory requirements, the requirements of the Company's governing documents and are in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities effective 1 January 2015.

CONSTITUTION, POLICIES AND OBJECTIVES

The Citizens Foundation (UK) (TCF-UK) is constituted as a company limited by guarantee incorporated on 21 September 2000 (No: 4075959), and registered as a charity in England and Wales on 6 August 2001 (No: 1087864).



THE CITIZENS FOUNDATION (UK)

Annual Report and Financial Statements for the year ended 31 December 2015

TRUSTEES' REPORT (cont'd)

TCF-UK's principal objective is to raise awareness of and funds for The Citizens Foundation (TCF), Pakistan's leading charity in the field of formal education for underprivileged children.

There have been no changes in the objectives since the last Annual Report.

In earlier pages of this Annual Report, the Trustees have provided a great deal of additional detail and analysis of the income and expenditure of the Charity as well as comprehensive information on TCF: its work, ethos, current status and future plans and aspirations.

The Trustees have considered the Charity Commission's guidance on public benefit and believe that our work and purposes clearly meet the public benefit requirement.

FUTURE PLANS

TCF-UK is committed to support the long-term, sustained growth of TCF. Our priority in 2015 continues to be to build a passionate, committed and diversified donor-base to provide a secure and sustainable foundation for TCF. TCF's schools nurture a tolerant, economically self-reliant and civic-minded nation.

MEMBERSHIP

TCF-UK is currently not a member of any professional body or umbrella organisation, other than TCF. The Trustees are satisfied with the results and activities of the Company for the year and do not anticipate any significant changes in the forthcoming year.

RESERVES POLICY

TCF-UK aims to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately one year's on-going expenditure on the governance, management and administration of the charity. The Trustees believe this should provide sufficient funds to enable the charity to respond to unexpected contingencies.

At 31 December 2015 total unrestricted retained funds were £94,059 (2014: £110,384) which is broadly in accordance with the above basis.

RISK MANAGEMENT

The Trustees have assessed the major risks to which TCF-UK is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems are in place to mitigate their exposure to the major risks.

STRUCTURE, GOVERNANCE AND MANAGEMENT

All the Trustees participate in the management of the Charity. Existing Trustees appoint new trustees after a six-month pre-appointment induction process. The Trustees rely on the excellent guidance for new and existing trustees published by the Charity Commission.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Citizens Foundation (UK) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

TRUSTEES' REPORT (cont'd)

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRSSE);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

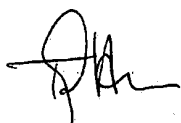
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

TCF-UK's Financial Statements are subject to a statutory audit. This has been completed by Haines Watts.

The report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

Signed on behalf of the Board:



T R HUSSAIN
18 August 2016

THE CITIZENS FOUNDATION (UK)

Annual Report and Financial Statements
for the year ended 31 December 2015

Independent Auditor's Report to the members of The Citizens Foundation (UK) Limited (By Guarantee)

We have audited the financial statements of The Citizens Foundation (UK) for the year ended 31 December 2015 which comprise Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

INDEPENDENT AUDITOR'S REPORT (Cont.)


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jane Wills FCA
Senior Statutory Auditor

For and on behalf of

Haines Watts
Chartered Accountants
Statutory Auditors
Aissela
46 High Street
Esher
Surrey
KT10 9QY

2 September 2016

THE CITIZENS FOUNDATION (UK)

Annual Report and Financial Statements
for the year ended 31 December 2015

STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)

	Note	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £	2014 Total Funds £
Income (from individuals, corporations and trusts & foundations)					
Donations, grants and endowments	1	534,803	838,878	1,373,681	994,858
Other trading activities (fundraising events)	1	9,874	-	9,874	8,911
Income from Investments	1	<u>534</u>	<u>-</u>	<u>534</u>	<u>124</u>
Total income and endowments		<u>545,211</u>	<u>838,878</u>	<u>1,384,089</u>	<u>1,003,893</u>
Expenditure					
Cost of raising funds	1	107,153	-	107,153	97,490
Expenditure on Charitable activities	1	<u>454,383</u>	<u>548,051</u>	<u>1,002,434</u>	<u>847,825</u>
Total expenditure		<u>561,536</u>	<u>548,051</u>	<u>1,109,587</u>	<u>945,315</u>
Net gains/(losses) on investments	3 & 5	<u>-</u>	<u>23,760</u>	<u>23,760</u>	<u>-</u>
Net income/(expenditure) and net movement in funds for the year		(16,325)	314,587	298,262	58,578
Reconciliation of funds					
Total funds brought forward		<u>110,384</u>	<u>97,430</u>	<u>207,814</u>	<u>149,236</u>
Total funds carried forward	3, 11 & 12	<u>94,059</u>	<u>412,017</u>	<u>506,076</u>	<u>207,814</u>

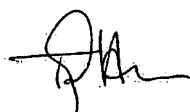
THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
for the year ended 31 December 2015

BALANCE SHEET as at 31 December 2015

	Notes	2015	2014
		£	£
FIXED ASSETS			
Tangible assets	4	570	847
Investments (endowment fund) 3, 5 & 12		<u>376,860</u>	<u>-</u>
		377,430	847
CURRENT ASSETS			
Cash at bank and in hand	12	134,196	204,415
Debtors	6 & 12	<u>4,783</u>	<u>12,054</u>
		138,979	216,469
Creditors Amounts falling due within one year	7 & 12	<u>(10,333)</u>	<u>(9,502)</u>
NET CURRENT ASSETS		<u>128,646</u>	<u>206,967</u>
		<u>506,076</u>	<u>207,814</u>
REPRESENTED BY			
Accumulated Funds			
Unrestricted funds	11 & 12	94,059	110,384
Restricted funds	3, 11 & 12	<u>412,017</u>	<u>97,430</u>
		<u>506,076</u>	<u>207,814</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

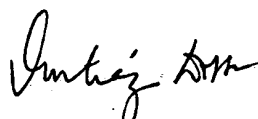
Signed on behalf of the Board



T R HUSSAIN

Director

Approved by the Board on 18 August 2016



I S DOSSA

Director



THE CITIZENS FOUNDATION (UK)

**Annual Report and Financial Statements
for the year ended 31 December 2015**

NOTES TO THE FINANCIAL STATEMENTS

1) ACCOUNTING POLICIES

Basis of preparation of Financial Statements:

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Company Status

The Company is a company limited by guarantee. The members of the Company are the Trustees named above. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Company.

Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be used solely for a particular purpose, for example to build or support the running costs of a nominated school or other defined educational purpose.

Income Recognition policies

Income is recognised and included in the accounts when all of the following criteria are met:

- The Charity has entitlement to the funds;
- Any performance conditions have been met;
- There is sufficient certainty that the receipt of the income is considered probable; and
- The amount can be measured reliably.

Gift aid: Income includes gift aid outstanding and receivable from HMRC at the year end.

Donated Services:

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the accounts.

Donated Shares:

Donated shares are initially recognised at the share price on the date of transfer to the charity. They are subsequently recognised at fair value at the balance sheet date, as detailed in the Fixed Asset Investments accounting policy on page 28.

THE CITIZENS FOUNDATION (UK)
Annual Report and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (Cont)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Cost of raising funds - £107,153 is comprised of wages (see note 8) and other costs incurred in raising awareness of and funds for TCF, managing the day-to-day running of the Charity and complying with its legal obligations (2014: £97,490).
- Expenditure on Charitable activities - £1,002,434 is comprised of:
 - £977,725 of school support, build and endowment grants to TCF (2014: £824,369)
 - £ 21,253 of school support grants to PFL's former beneficiaries (2014: £20,000) and
 - £ 3,456 statutory audit fee (2014: £3,456)

Leasing Commitments

The rental payments under operating leases are recognised on a straight-line basis over the lease term.

Tangible Fixed Assets

All assets costing under £500 are capitalised in the year of purchase, but are written down to a value of £1. Assets costing more than £500 are capitalised and are depreciated at 33% on the reducing balance basis.

Fixed Asset Investments

Fixed asset investments consist of listed investments. Investments are valued at their fair value measured using the share price at the balance sheet date.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2) TRUSTEES EXPENSES & REMUNERATION

During the year none of the Trustees received any remuneration, benefits in kind or expenses.

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NOTES TO THE FINANCIAL STATEMENTS (Cont)

3) RESTRICTED FUNDS

Restricted funds of £412,017 on the Balance Sheet at 31 December 2015 were made up of:

- £ 35,157 which has been remitted to TCF after the year end (2014: £97,430); and
- £376,860 being the value at 31 December 2015 of quoted shares received during the year by the Charity from a donor for an endowment fund. The value of the shares had increased during the year by £23,760, from £353,100 at the date the donation was received. The shares continue to be held by the Charity. The dividend income and, potentially, any gains in the value of these shares shall only be used towards the support costs of existing and future schools built by that donor. No dividends were received during the year. The donation value and year end value were based on fair value being the closing price on the London Stock Exchange on the day the shares were transferred to the Charity and 31 December 2015 respectively (2014: nil).

4) TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office equipment - 33% on the reducing balance basis

Cost

	Office Equipment £
At 01 January 2015	9,877
Additions in the year	<u>796</u>
At 31 December 2015	<u>10,673</u>

Depreciation

At 01 January 2015	9,030
Charge for year	<u>1,073</u>
At 31 December 2015	<u>10,103</u>

Net Book Value

At 31 December 2015	<u>570</u>
At 31 December 2014	<u>847</u>

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NOTES TO THE FINANCIAL STATEMENTS (Cont)

5) INVESTMENTS (endowment fund)

	Listed investments £
Cost or valuation	
At 1 January 2015	-
Additions	353,100
Disposals	-
Revaluations	<u>23,760</u>
At 31 December 2015	<u>376,860</u>
 Carrying amount	
At 31 December 2015	<u>376,860</u>
At 31 December 2014	<u>-</u>

6) DEBTORS: Amounts falling due within one year

	2015 £	2014 £
Other debtors	<u>4,783</u>	<u>12,054</u>

7) CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Accruals	3,994	4,324
Other creditors	<u>6,339</u>	<u>5,178</u>
Total	<u>10,333</u>	<u>9,502</u>

8) WAGES

	2015 £	2014 £
Salaries	69,644	65,246
Social security costs	<u>4,041</u>	<u>5,989</u>
	<u>73,685</u>	<u>71,235</u>

Average number of employees	<u>3</u>	<u>3</u>
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No employee was paid more than £60,000 (2014: nil)

THE CITIZENS FOUNDATION (UK)
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NOTES TO THE FINANCIAL STATEMENTS (Cont)

9) OPERATING LEASES

The following operating lease payments are committed to be paid within one year:

	2015 £	2014 £
Expiring:		
Within one year	<u>9,332</u>	<u>8,446</u>
	<u>9,332</u>	<u>8,446</u>

10) RELATED PARTY TRANSACTIONS

As in previous years, all the Trustees have made donations to the Charity, the total of these donations being about 5% of the income of the Charity. As in previous years, there were no payments made to any trustee and no other related party transactions.

11) ANALYSIS OF MOVEMENT OF UNRESTRICTED AND RESTRICTED FUNDS

	Balance 1 January 2015 £	Income £	Expenditure £	Funds 31 December 2015 £
Unrestricted funds	<u>110,384</u>	<u>545,211</u>	<u>561,536</u>	<u>94,059</u>
Restricted funds				
- Investments: endowment fund				
- received	-	353,100	-	353,100
- net gain on investment	-	23,760	-	23,760
- Investments: endowment fund	-	376,860	-	376,860
- other restricted funds	97,430	485,778	548,051	35,157
Restricted funds	<u>97,430</u>	<u>862,638</u>	<u>548,051</u>	<u>412,017</u>
	Balance 1 January 2014 £	Income £	Expenditure £	Funds 31 December 2014 £
Unrestricted funds	<u>117,059</u>	<u>466,347</u>	<u>473,021</u>	<u>110,384</u>
Restricted funds	<u>32,177</u>	<u>537,546</u>	<u>472,294</u>	<u>97,430</u>

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NOTES TO THE FINANCIAL STATEMENTS (Cont)

12) ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds Investments	Restricted funds Others	Totals
	£	£	£	£
Fixed (tangible) assets	570	0	0	570
Investments: endowment fund	0	376,860	0	376,860
Cash at bank	99,039	0	35,157	134,196
Other current assets/liabilities	(5,550)	0	0	(5,550)
Total	94,059	376,860	35,157	506,076
Total restricted funds			412,017	





THE CITIZENS FOUNDATION (UK)

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