

# DEVELOPMENTS IN LITERACY



Help make dreams  
come true



Annual Report  
2011



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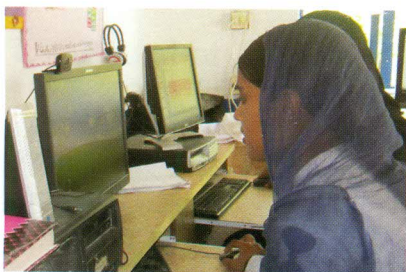
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# MESSAGE FROM LEADERSHIP

Dear Friends,

Successful learning is possible only if teachers are equipped with the best teaching strategies. In 2011, DIL focused on activity-based learning and teaching methods that embody core competencies such as critical thinking, problem solving, group work and computer literacy. DIL's education program promotes 21st century learning skills necessary for students to thrive in today's world.

We trained more than 1,200 DIL and non-DIL teachers and principals last year, which resulted in a marked improvement in their professional capacity. The emphasis of the DIL Teacher Education Center (DTEC) in the last half of the year was on inquiry-based teaching methodology for science.

As 2011 ended, DIL's team of curriculum developers succeeded in implementing the curriculum for Classes KG-V for the core subjects: English, Math and Urdu. They also started developing DIL's science curriculum which ensures the acquisition of knowledge through direct explorations.

Our monitoring and evaluation teams continuously assessed the impact and effectiveness of our programs, while our regional support teams ensured their proper implementation and management by providing on-going oversight and support.

Our resource-rich libraries and computer labs, especially those with internet access, are amongst the important building blocks of our education program as we drive 17,000 plus students towards excellence. These were supplemented by our wonderful extra-curricular programs which included sport competitions, spelling bees, drama clubs, reading clubs etc.

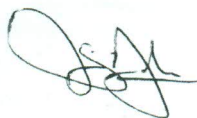
It was a matter of great pride for DIL when our students received the most number of awards in the 2011 Design for Change Challenge, competing with students from 5,000 schools across Pakistan, including those from high end private institutions.

We are grateful for the invaluable and consistent support of our patrons and well-wishers as we strive to provide quality education and opportunities to Pakistan's most valuable asset, its future generation.

With best wishes,



Fiza Shah  
DIL Founder and CEO



Shazad Dada  
Chairman, Board of Trustees



Ahmereen Reza  
Chairperson, DIL Trust UK

# GOVERNANCE

## Patrons:

**Dr. Nafis Sadik:** Special Advisor to the United Nations Secretary General

**Princess Sarvath El Hassan of Jordan:** Patron of the Young Muslim Women's Association (YMWA)

**Dr. Maleeha Lodhi:** Former Pakistani High Commissioner to the UK

## US Board of Directors:

**Fiza Shah:** Founder and Chief Executive Officer

**Sara Abbasi:** Chairperson

**Mehar J. Patel:** Vice Chairperson

**Tasnim Shaheryar**

**Muhammad B. Shahzad**

**Zia Yusuf**

**Jameela Fakhri**

**Ahmereen Reza**

**Hashmat Saeed**

**Naeem Arustu**

**Najmi Sarwar**

DIL was granted tax-exempt status 501 (c) (3) by the IRS in February 2000

## Pakistan Board of Trustees:

**Shazad Dada**

**Shahida Azfar**

**Nasreen Iqbal**

**Imran Ahmed**

**Shahnaz Ahmed**

**Saeeda Fancy**

**Perveen Malik**

**Anjana Raza**

DIL was registered in Pakistan in July 2000 under the Societies Registration Act 1860

## UK Board of Trustees:

**Ahmereen Reza**

**Rubina Riaz**

**Frances Mani**

**David Lockwood**

**Marjan Khanji**

**Ruha Khandwala**

**Jameela Fakhri**

DIL Trust UK was registered with the Charity Commission as a charitable trust governed by the rules of England & Wales.

The DIL Boards develop strategic goals and program initiatives; review and approve annual plans and budgets; assist in expanding outreach, visibility and donor support; and monitor the progress of the organization.

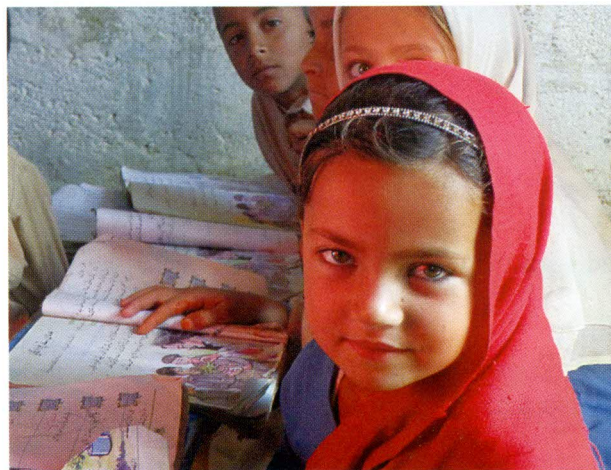


# OUR MISSION

DIL educates and empowers underprivileged students, especially girls, by operating student-centered model schools and provides high-quality professional development to teachers and principals across Pakistan.

# OUR VISION

DIL believes that no child in Pakistan, no matter how poor or underprivileged, should be denied access to quality education. All children should have equal opportunity to reach their full potential and contribute toward the socio-economic betterment of their communities.





# EDUCATIONAL CONTEXT OF PAKISTAN

According to recent reports, over 25 million children in Pakistan do not receive primary education whereas one-fourth of public school teachers are absent on any given day. As a result, 65% of school children, aged 6-16, cannot



even read a sentence. Almost 30,000 public schools are in dire need of repair, while another 21,000 schools are without buildings. In the schools that do exist, basic facilities are of sub-standard quality, with well over half of the schools lacking electricity, boundary walls, and sanitation facilities.



# DIL'S IMPACT AND APPROACH

Supported by the Pakistani diaspora, DIL was established in 1997 to address the problem of poor access to quality education in Pakistan's underdeveloped areas.

Beginning with a handful of schools and students, today DIL works across Pakistan in **179** schools, educating **17,032** students, of which **68%** are girls. The organization employs **816** teachers, almost all of whom are women. Our robust teacher training program benefitted more than **30,000** children in 2011 alone.

DIL builds and operates schools and develops innovative solutions for quality

education. With its successful models for teacher training, curriculum enhancement, vocational training, and technology integration, high quality education is provided to the most marginalized children and youth. This empowers them with the critical thinking and problem solving skills they need to redefine their future as well as that of their communities. Wherever DIL provides value added education, girls and women are able to transform their lives, often replacing child marriages with leadership roles in homes, villages and the work place.





# EDUCATE A CHILD

## School construction

As part of DIL's plan to upgrade school buildings to meet the policy standards, several construction projects were initiated in 2011.

Some of these were aimed at upgrading existing schools and others were new school buildings altogether.

Name of Project	Infrastructure Improvements
<b>Sindh</b>	
DIL Paradise School, Orangi Town	DIL Paradise School building was purchased and upgraded. The ceiling height was enhanced and structural changes were made to provide for space and ventilation in the classrooms. Two washrooms were added.  <i>Status:</i> project completed in 2011
DIL Lal Shahbaz Nagar, Orangi Town	A house was purchased and renovated. Two rooms and two washrooms were added. Now the building comprises of an office, six classrooms and a library.  <i>Status:</i> project completed in 2011
Faizal Mahar, Khairpur	Work began on the new school building in the last quarter of 2011. A total of eight classrooms have been constructed.  <i>Status:</i> completion in summer 2012.
Razal Memon, Khairpur	Construction was begun on a new building on a plot donated by the community to replace the older structure which was inadequate. The new building will comprise of 10 classrooms, office, computer lab and library.  <i>Status:</i> completion in summer 2012.
<b>Punjab</b>	
Bagga Sheikhan, Rural Rawalpindi	A new primary school campus was constructed consisting of ten classrooms, an office, a library and a computer lab.  <i>Status:</i> completed in Dec 2011
Mandianwala, Sheikhpura	Construction was initiated on this new project which has eight classrooms, office, library, computer lab.  <i>Status:</i> completion due in April, 2012
<b>Khyber Pakhtunkhwa</b>	
Jabri, Manshera	This primary school building is a new project and will have seven classrooms, an office, a computer lab and a library.  <i>Status:</i> completion in 2012.



## Curriculum development

DIL has worked for the past four years to research, develop, introduce and monitor a complete primary school curriculum, based on the National Standards defined by the Pakistan Ministry of Education. The goal is to improve the quality of education in its schools. As 2011 ended, DIL's team of curriculum developers, together with the Master Trainers, succeeded in implementing the curriculum for Classes KG-V for the



core subjects: **English, Math and Urdu. Science and Early Childhood Education (ECE)** programs are currently being developed using DIL's established format and approach and the organization will soon be in the position to offer a complete curriculum for primary school students in Pakistan.

DIL has researched best practices in educational interventions used around the world to adapt to the rural Pakistani



context. Emphasis in all subject curricula has been on the inclusion of a student-centered approach that shifts the focus away from lecture style teaching to one that is activity-based. This allows the children an opportunity to explore learning through a variety of techniques. It is our hope that through using DIL's enhanced curricula, our students will have the skills and knowledge to reach their full potential as active and responsible members of their communities.





## *A Hands-on Approach to Math*

The Math curriculum has detailed Teachers' Guides for every grade to give clear information on the content of the Math concepts with the use of diagrams, models and other supplementary resources within the Guide. Many of our teachers struggle with basic Math concepts, so the Guide has become a primary resource material for the teacher to have in class for reference when needed. Along with the detailed content information, the Guide also recommends specific activities and strategies for using the Math kits introduced in the early grades.

The Math kits have helped the students to learn in a hands-on way. The kit includes base-ten blocks that are useful in learning place value, pattern blocks for learning geometry, fake currency for measurement and inch cubes for counting and measuring.

## *Spirit of Inquiry in Science Education*

Working towards its objective of providing high-quality professional development to teachers, the Science Program at DIL has adopted the Inquiry Based Methodology. The philosophy of the DIL Primary School Science Program is to ensure a holistic development of the pupils and to foster scientific literacy. To implement this approach, DIL has developed its own curriculum. This curriculum, based on National Standards includes enhancement and improvements in keeping with the spirit of inquiry; it ensures the acquisition of knowledge through direct explorations rather than indirect sources. The overall objectives of the DIL Science Program are as under:

- To promote science as a way of thinking, not just as a body of knowledge, primarily focusing on the scientific process and understanding of how science is done.
- To use inquiry as a tool of setting the scientific process in motion, allowing the students to explore and construct knowledge from their first hand experiences.

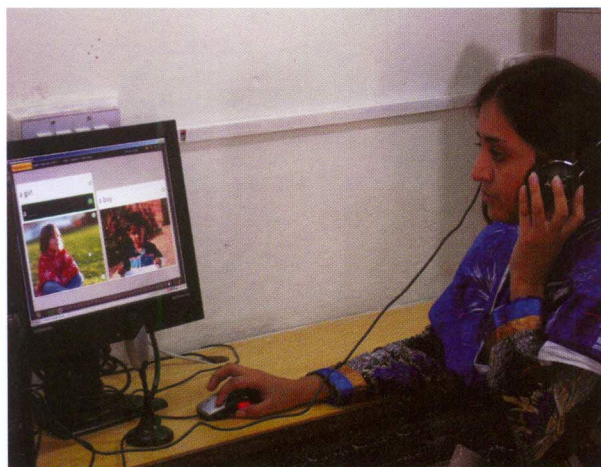




# NURTURE A DREAM

## Use of Technology in Teaching & Learning

One of the most exciting initiatives DIL has undertaken this year is the introduction of internet-enabled computer labs in many schools. The impact this is having on



our students and teachers is astounding: The teachers are voluntarily going online to search for instructional videos to use in their classes as well as strategies for teaching their lessons more effectively. Our students are using Skype and Google Talk to communicate with students at other DIL schools. Through the use of internet technology, we are leveling the playing field for our students, giving them the skills to be competitive in today's interconnected world.

Other strides in this area include:

- A comprehensive IT curriculum developed for all DIL Schools and computer teachers trained in its

implementation and assessment.

- 11 new computer labs established in 2011, bringing the total to 49. Of these, 18 were upgraded with the latest PCs and internet connectivity.
- Grade IV students in five Dir Schools were provided XO Laptops and the staff and teachers were also given a unit each and trained on its use.
- Several online activities were conducted in 2011 with the help of volunteers and partner organizations. LUMS students designed and mentored students in Project Based Science Learning activities. iEARN provided DIL teachers training on the use of Social Media and Web 2.0 as well as Youth Community Service Projects. Based on the trainings, our teachers were able to follow through and conduct several other activities with their students.





## Libraries and Reading Program

Libraries have become integral parts of all DIL Schools. 42 libraries were established in DIL Schools in 2011 and a dedicated department was set up at the Islamabad office to ensure effective use of the facilities by students as well as teachers. School and project staff training for cataloguing of all books and record keeping is planned in 2012. Large donations of books were received for all schools from Hoopoe books as well as a container load from Scholastic. Schools are conducting several Reading



Club activities to encourage students to read more.

## DEVELOP AN EDUCATOR

### Teacher development

One of the main areas of focus in 2011 remained the improvement of the quality of education. DIL's Training Department conducted teacher training in all core subjects as well as **Early Childhood Education, Pedagogy** and **IT**. We have a training model that caters specifically to the rural teacher; a population no other organization in Pakistan is able to successfully accommodate.

Demand is high for our training; to accommodate this increased workload, the Master Trainers have each hired Trainers for their subjects, resulting in a doubling of the training team. In 2011, the DIL Training team trained 748 DIL teachers and 397 non-DIL teachers. DIL now has regular workshops in all of its projects. These are followed up with school visits to monitor teachers in using their new skills. A system of peer coaching by teachers was introduced to increase on ground support to new teachers and to develop local resources.

A pilot project to improve language skills of teachers and project staff was initiated in 2011: a volunteer conducted English classes using Skype with teachers and staff of NOWA. This proved to be such a huge success that in 2012 it will be replicated in several other locations.





## Building our Monitoring & Evaluation Capacity

Beginning in Nov/Dec 2011, the DIL M&E Department began the first ever standardized assessment for all DIL teachers and a sampling of primary students in DIL schools. The assessments will now be an annual exercise, aimed at guiding training inputs and giving direction to different incentives in the projects.

## Scholarship Success Story

DIL provided free education to 443 students in 2011. The organization also awarded 185 scholarships to students pursuing higher education at non-DIL schools and colleges. Here is the story of one such student :

Ambreen Memon belongs to a poor family of Village Razal Memon, Taluka Sobhoderro. Her father, Asadullah Memon, has a general store in the village. He has nine family members dependent on his income, so it is hard for him to fulfill the educational needs of all his children. Since childhood Ambreen has dreamt of going to university and her dream has finally come true: she graduated from the DIL SMS Razal Memon Middle School and, with the help of a DIL Scholarship, completed her matriculation from Government Girls' High School, Sobhoderro. She went on to attempt her F.Sc. with the support of a DIL Scholarship and is now enrolled at the Shah Abdul Latif University, Khairpur, in the Computer Science Department. Despite her humble beginnings, Ambreen is determined to achieve her life ambitions.





# CHANGE A COMMUNITY

## Vocational Training Centers

In 2010, DIL added Vocational Training to its range of activities in response to a long standing demand from the communities. Currently, the Vocational Training Centers (VTCs) run computer training and sewing/embroidery sessions; each session runs for 3 months and certificates are awarded to successful candidates at the end of this period. In 2011, two computer VTCs were set up in Khairpur after the success of a similar initiative in Orangi. A total of 135 students graduated from all four



computer centers in 2011. Three Sewing and Embroidery centers are operational in Orangi with an average of 100 students graduating annually.

A group of volunteers in Karachi have set up an informal process of finding buyers for products developed by the Orangi Sewing VTCs graduates through participation in exhibitions and online websites. This is a great opportunity for the women of this low income community to get a fair price for their effort as the middleman is eliminated and an extensive consumer clientele slowly builds up.



## Community Empowerment

In addition to the Vocational Training Centers which go towards building community empowerment, DIL has laid emphasis on developing active Parent

Teacher Associations (PTAs) in all schools to reduce dropouts and curb absenteeism. Efforts were made to include mothers of students as much as possible. In Khairpur,





women's Village Education Committees were developed in all school communities to help with school issues and these have proved to be much more effective. The mothers' literacy programs flourished in several schools with the teachers donating hours after school to help out.

## Flood Relief Work

Several Flood Relief projects were undertaken by DIL in response to the massive 2010 floods and their implementation continued into 2011:

- The Sujawal House Reconstruction Project was completed in 2011 where 16 houses were built in partnership with Karachi Relief Trust & Rehnuma Trust; the Chowk
- Jamali House Reconstruction Project with the same partners is near completion and the 43 houses being built are in the final stages.
- Indus Earth Sobhodero House Reconstruction Project completed with 14 houses built.





# PARTNERSHIPS

## Funding Partnerships

DIL is proud to announce the following grants and partnerships initiated in 2011:

- **BARCLAYS** funded an extensive training program to train DIL and non DIL teachers.
- **ENGRO** and DIL entered into a three year partnership to improve the quality of Engro's Education Project in Ghotki/Dharki, Sindh. According to the terms of the agreement, DIL is providing trainings to their teachers and field staff after conducting an initial baseline survey.
- **BAT** supported DIL in institutional strengthening through Teacher and Student assessments and process documentation in 2011.
- **VITOL** started supporting DIL in 2011 with a grant for teachers' capacity development in self-assessment and professional development planning.
- **BPF** (British Pakistani Foundation) supported the Floods Program through which DIL reconstructed schools damaged by the floods.
- **PPAF** supported the running cost for a cluster of seven DIL schools in the outskirts of Islamabad.

- **UN Women's Guild Geneva** provided funding for equipment for Orangi and Rawalpindi Schools.

## Implementing Partnerships

- **ACCESS** - The two year English Language Access Program at Mehran School, Orangi, has been providing the opportunity to 100 students from DIL and non DIL schools in Orangi to improve their language skills. Four students from the school were shortlisted for an exchange program and made it to the final selection stage.
- **DESIGN FOR CHANGE** - In 2011, four schools in Sindh and one school in Punjab won awards in the Design for Change competition and their entries were part of a traveling exhibition in Karachi, Lahore and Islamabad.
- **PIEDAR** - Schools in Sindh and ICT are actively engaged in raising awareness about environmental issues in partnership with PIEDAR, an Islamabad based NGO.
- **iEARN** - schools with upgraded computer labs participated in several online activities under the guidance of iEARN.



# DIL USA AUDIT REPORT



Troy Yoshida CPA, Inc.  
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(714) 898-6873 fax  
Troy@TroyCPA.com

To the Board of Directors of  
Developments in Literacy, Inc.

We have audited the accompanying statements of financial position of Developments in Literacy, Inc. ("the Organization") as of December 31, 2011 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements and, in the prior audit report dated October 15, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Developments in Literacy, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads 'Troy Yoshida'.

Troy Yoshida CPA, Inc.  
Garden Grove, CA  
September 1, 2012



**DEVELOPMENTS IN LITERACY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2011**  
(with summarized totals for 2010)

	Unrestricted	Temporarily Restricted	2011 Totals	2010 Totals
<b>ASSETS</b>				
CURRENT ASSETS:				
Cash	\$ 1,492,419	\$ 9,533	\$ 1,501,952	\$ 1,696,671
Current Portion of Pledges Receivable, Net	75,499	-	75,499	168,971
Prepaid Expenses	4,078	-	4,078	-
TOTAL CURRENT ASSETS	1,571,996	9,533	1,581,529	1,865,642
PROPERTY & EQUIPMENT, Net	280	-	280	457
OTHER ASSETS:				
Noncurrent Portion of Pledges Receivable, Net	-	26,259	26,259	36,107
Investments	504,746	-	504,746	515,582
Deposits	1,708	-	1,708	326
TOTAL OTHER ASSETS	506,454	26,259	532,713	552,015
<b>TOTAL ASSETS</b>	<b>\$ 2,078,730</b>	<b>\$ 35,792</b>	<b>\$ 2,114,522</b>	<b>\$ 2,418,114</b>
<b>LIABILITIES &amp; NET ASSETS</b>				
CURRENT LIABILITIES:				
Accounts Payable	\$ 14,588	\$ -	\$ 14,588	\$ -
Accrued Liabilities	2,588	-	2,588	-
TOTAL CURRENT LIABILITIES	17,176	-	17,176	-
NET ASSETS:				
Unrestricted				
Designated	500,000	-	500,000	500,000
Undesignated	1,561,554	-	1,561,554	1,882,007
Temporarily Restricted	-	35,792	35,792	36,107
TOTAL NET ASSETS	2,061,554	35,792	2,097,346	2,418,114
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 2,078,730</b>	<b>\$ 35,792</b>	<b>\$ 2,114,522</b>	<b>\$ 2,418,114</b>



**DEVELOPMENTS IN LITERACY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
(with summarized totals for 2010)

	Unrestricted	Temporarily Restricted	2011 Totals	2010 Totals
<b>REVENUES AND OTHER SUPPORT</b>				
Fundraising	\$ 1,330,351	\$ -	\$ 1,330,351	\$ 1,286,205
Contributions	577,981	9,533	587,514	892,722
Interest and Dividend Income	12,964	-	12,964	13,640
Misc Income	7,000	-	7,000	-
Net Unrealized Gain (Loss)	(10,836)	-	(10,836)	62,106
Net Assets Released from Time Restriction	9,848	(9,848)	-	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>1,927,308</b>	<b>(315)</b>	<b>1,926,993</b>	<b>2,254,673</b>
<b>EXPENSES</b>				
Program Services	\$ 1,658,709	\$ -	\$ 1,658,709	\$ 1,600,542
Supporting Services				
Management and General	113,806	-	113,806	104,837
Fundraising	323,745	-	323,745	277,382
<b>TOTAL EXPENSES</b>	<b>2,096,260</b>	<b>-</b>	<b>2,096,260</b>	<b>1,982,761</b>
<b>LOSSES</b>				
Loss on Uncollectible Pledges	151,501		151,501	-
<b>TOTAL LOSSES</b>	<b>151,501</b>	<b>-</b>	<b>151,501</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (320,453)</b>	<b>\$ (315)</b>	<b>\$ (320,768)</b>	<b>\$ 271,912</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>\$ 2,382,007</b>	<b>\$ 36,107</b>	<b>\$ 2,418,114</b>	<b>\$ 2,146,202</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,061,554</b>	<b>\$ 35,792</b>	<b>\$ 2,097,346</b>	<b>\$ 2,418,114</b>



**DEVELOPMENTS IN LITERACY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
(with summarized totals for 2010)

	Program Services	Supporting Services		2011 Totals	2010 Totals
		Management and General	Fundraising		
Education:					
Personnel	\$ 749,570	\$ -	\$ -	\$ 749,570	\$ 675,384
Facilities Exp	46,723	-	-	46,723	28,345
Equip & Furniture Exp	46,464	-	-	46,464	44,322
Books & Materials	52,845	-	-	52,845	42,698
Student Services & Activities	14,574	-	-	14,574	12,477
Scholarships	25,450	-	-	25,450	13,466
Training & Monitoring	36,249	-	-	36,249	9,686
Learning & Development	6,654	-	-	6,654	-
Monitoring & Evaluations	9,063	-	-	9,063	20,378
Marketing	2,115	-	-	2,115	-
Curriculum Development	22,515	-	-	22,515	15,013
Library Establishment	27,650	-	-	27,650	-
Computer Lab Establishment	33,313	-	-	33,313	-
Operating Expenses	82,826	-	-	82,826	100,742
Capital Costs	298,832	-	-	298,832	274,020
Professional Fees	9,308	-	-	9,308	5,241
Fundraising	-	-	-	-	349
Travel Expense	-	-	-	-	-
Flood Relief	67,958	-	-	67,958	166,530
Direct Fundraising Event Expense:					
Dinners	-	300	12,288	12,588	17,120
Hotel Rental	-	-	169,258	169,258	134,669
Equipment Rental	-	-	24,213	24,213	13,205
Entertainment	-	-	19,280	19,280	37,846
Other	-	-	7,058	7,058	-
Bank and Credit Card Fees	-	13,676	8,109	21,785	16,392
Database and Software	66	5,113	-	5,179	6,034
Depreciation	-	177	-	177	177
Employee Benefits	3,197	4,853	704	8,754	4,812
Employer Payroll Taxes	8,240	5,578	5,738	19,556	16,545
Insurance	-	2,907	-	2,907	4,341
Marketing	-	100	-	100	6,000
Miscellaneous	407	3,312	2,176	5,895	8,491
Newsletter	-	9,790	-	9,790	11,147
Office Supplies	50	6,160	-	6,210	1,200
Payroll	99,185	36,818	62,468	198,471	186,125
Postage and Printing	-	4,712	7,767	12,479	15,759
Professional Fees	-	8,788	-	8,788	7,400
Program Curriculum Development	4,595	160	-	4,755	29,800
Rent	7,812	1,562	1,042	10,416	10,740
Small Equipment	-	1,992	-	1,992	2,221
Supplies	-	17	2,954	2,971	15,445
Telephone	-	2,926	-	2,926	2,568
Travel	2,928	15	-	2,943	7,734
Website	120	4,850	690	5,660	3,602
Bad Debt	-	-	-	-	14,737
<b>TOTAL EXPENSES</b>	<b>\$ 1,658,709</b>	<b>\$ 113,806</b>	<b>\$ 323,745</b>	<b>\$ 2,096,260</b>	<b>\$ 1,982,761</b>



**DEVELOPMENTS IN LITERACY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
(with summarized totals for 2010)

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (320,768)	\$ 271,912
Adjustments to Reconcile Change in Net Assets		
To Net Cash Provided by Operating Activities:		
Depreciation	\$ 177	\$ 177
Unrealized (Gain) Loss on Investment	10,836	(62,106)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Pledges Receivable	103,320	(65,132)
(Increase) Decrease in Prepaid Expenses	(4,078)	1,000
(Increase) Decrease in Deposits	(1,382)	-
Increase (Decrease) in Accounts Payable	14,588	-
Increase (Decrease) in Accrued Liabilities	<u>2,588</u>	<u>-</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	(194,719)	145,851
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in Investments	<u>-</u>	<u>(149,730)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>-</u>	<u>(149,730)</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	(194,719)	(3,879)
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>\$ 1,696,671</u>	<u>\$ 1,551,792</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u><u>\$ 1,501,952</u></u>	<u><u>\$ 1,696,671</u></u>



# DIL UK AUDIT REPORT



## DEVELOPMENTS IN LITERACY TRUST UK

### Independent examiner's report to the trustees/members of The Developments In Literacy Trust UK

We have examined the accounts of this charity for the twelve months period ended 31 December 2011 which comprise pages 13 to 21. These accounts have been prepared in accordance with the relevant legislation being the Charities Act 1993 and related regulations, including the Statement of Recommended Practice 2005 (SORP 2005) as applicable Accounting policies followed are disclosed in note 1 on page 15.

#### Respective responsibilities of trustees and independent examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

Our responsibility is to examine the accounts in accordance with section 43(3)a of the Act and to follow the procedures laid down in the General Directions given by the Charity Commissioners under section 43(7)b of the Act; and to state whether particular matters have come to our attention.

#### Basis of independent examination

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the accounts

#### Independent Examiner's Statement

In connection with our examination, no matter has come to our attention which gives us reasonable cause to believe that in any material respect the requirements to keep accounting records in accordance with section 41 of the 1993 Act; and to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Act not been met.

There are no matters, to which in our opinion, attention should be drawn for a proper understanding of the accounts to be reached.

Chartered Accountant

for and on behalf of

**Pearlman Rose**

Chartered Accountants & Registered Auditors

2 St Georges Mews

43 Westminster Bridge Road

London

SE1 7JB



# DEVELOPMENTS IN LITERACY TRUST UK

## Statement of Financial Activities for the year ended 31<sup>st</sup> December 2011

		<u>Unrestricted</u> <u>Year to</u> <u>31.12.2011</u>	<u>Restricted</u> <u>Year to</u> <u>31.12.2011</u>	<u>Total</u> <u>Year to</u> <u>31.12.2011</u>	<u>Unrestricted</u> <u>9 mths to</u> <u>31.12.2010</u>	<u>Restricted</u> <u>9 mths to</u> <u>31.12.2010</u>	<u>Total</u> <u>9 mths to</u> <u>31.12.2010</u>
		£	£	£	£	£	£
<b>Incoming Resources</b>							
Contributions	2	8,864	13,000	21,864	1,005	376	1,381
Fund Raising	3,4	31,617	1,650	33,267	23,813	28,266	52,079
Grants Received	5	-	228,218	228,218	675	35,000	35,675
Gift Aid		4,502	-	4,502	4,707	-	4,707
Interest Income		9,849	-	9,849	1,936	-	1,936
		<b>54,832</b>	<b>242,868</b>	<b>297,700</b>	<b>32,136</b>	<b>63,642</b>	<b>95,778</b>
<b>Resources Expended</b>							
Mehran School	6	7,510	-	7,510	11,849	-	11,849
Teacher Training	7	8,625	-	8,625	1,369	3,555	4,924
Vocational Training	8	21,189	-	21,189	-	3,117	3,117
Grant Disbursements	9	-	146,829	146,829	675	85,000	85,675
Fund Raising Costs	10	15,744	-	15,744	743	4,685	5,428
Management & Governance	11	2,115	-	2,115	589	-	589
Flood Emergency Programme	12	-	23,491	23,491	-	-	-
		<b>55,183</b>	<b>170,320</b>	<b>225,503</b>	<b>15,225</b>	<b>96,357</b>	<b>111,582</b>
Net Incoming / (Outgoing) Resources		(351)	72,548	72,197	16,911	(32,715)	(15,804)
Total Funds Brought Forward		182,348	23,491	205,839	165,437	56,206	221,643
Total Funds Carried Forward		<b>181,997</b>	<b>96,039</b>	<b>278,036</b>	<b>182,348</b>	<b>23,491</b>	<b>205,839</b>

There were no recognised gains or losses for the two years other than those included in the statement of financial activities.



# DEVELOPMENTS IN LITERACY TRUST UK

## Balance Sheet as at 31<sup>st</sup> December 2011

		31.12.2011		31.12.2010	
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Computer			739		-
<b>Current Assets</b>					
Cash at bank and in hand		180,235		118,919	
Balance with DIL Pakistan		136,419			
Prepayment	13	21,495		86,920	
		<u>338,149</u>		<u>205,839</u>	
<b>Current Liabilities</b>					
Payable to DIL Pakistan		-		-	
Other creditors	14	2,424		-	
Deferred income	15	58,428			
		<u>60,852</u>		<u>-</u>	
<b>Net Current Assets</b>			<u>277,297</u>		<u>205,839</u>
<b>Total Assets less Current Liabilities</b>			<u><b>278,036</b></u>		<u><b>205,839</b></u>
<b>Capital Account</b>					
Reserves as at 1 <sup>st</sup> January 2011			205,839		221,643
Surplus/(deficit) for the period	16		72,197		(15,804)
			<u><b>278,036</b></u>		<u><b>205,839</b></u>

Approved by the trustees on 30 October 2012 ..... and signed on their behalf.



Ahmereen Reza  
Trustee & Chair

Date: 30 October 2012 .....



# DIL PAKISTAN AUDIT REPORT



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
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+ 92 (51) 282 5956  
Fax + 92 (51) 282 2671  
Internet [www.kpmg.com.pk](http://www.kpmg.com.pk)

## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF DEVELOPMENTS IN LITERACY



We have audited the annexed balance sheet of Developments in Literacy as at 31 December 2011 and the related income and expenditure statement, statement of comprehensive income, cash flow statement and statement of changes in fund balance together with the notes forming part thereof (herein-after referred to as the financial statements) for the year then ended.

It is the responsibility of the trustees to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards as applicable in Pakistan. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion the financial statements present fairly in all material respects the financial position of Developments in Literacy as at 31 December 2011 and of its surplus and cash flow for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Date: 12 June 2012  
ISLAMABAD

  
**KPMG TASEER HADI & Co.**  
CHARTERED ACCOUNTANTS  
Syed Bakhtiyar Kazmi  





# Developments in Literacy

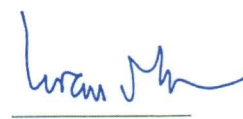
## Balance Sheet

As at 31 December 2011

	Note	2011 (Rupees)	2010 (Rupees)
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	26,818,677	22,034,853
Intangible asset	5	349,992	-
Long term deposits and prepayments	6	1,033,200	1,000,667
<i>Total non-current assets</i>		<u>28,201,869</u>	<u>23,035,520</u>
<b>CURRENT ASSETS</b>			
Advances - unsecured, considered good	7	3,596,920	1,758,550
Short term deposits and prepayments	8	464,570	625,307
Short term investment		-	10,399,000
Accrued mark-up		-	531,688
Cash and bank balances	9	71,602,696	36,642,426
<i>Total current assets</i>		<u>75,664,186</u>	<u>49,956,971</u>
<b>CURRENT LIABILITIES</b>			
<i>Total current liabilities - Accrued and other liabilities</i>	10	(7,495,846)	(3,620,240)
<i>Net current assets</i>		<u>68,168,340</u>	<u>46,336,731</u>
<b>NET ASSETS</b>		<u>96,370,209</u>	<u>69,372,251</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred grant	11	27,168,669	22,034,853
<b>REPRESENTED BY:</b>			
Fund balance - restricted	12	64,237,897	45,891,828
Restricted funds - for flood relief		4,963,643	1,445,570
		<u>69,201,540</u>	<u>47,337,398</u>
		<u>96,370,209</u>	<u>69,372,251</u>
Commitment	13		

The annexed notes from 1 to 22 form an integral part of these financial statements.

  
Trustee


  
Trustee




Developments in Literacy  
Income and Expenditure Account  
For the year ended 31 December 2011

	Notes	2011 (Rupees)	2010 (Rupees)
<b>INCOME</b>			
Transferred from fund balance		166,022,690	119,642,973
Deferred grant recognized as income	11	3,409,553	1,952,784
Restricted funds recognized as income	12	11,924,900	3,036,930
		<u>181,357,143</u>	<u>124,632,687</u>
<b>EXPENDITURE</b>			
Grants to Partner Organisations	16	54,775,993	41,569,467
General and administration expenses	17	12,129,068	10,758,436
Program expenses	18	54,931,062	33,935,506
Project expenses	19	59,521,020	38,369,278
		<u>(181,357,143)</u>	<u>(124,632,687)</u>
Excess of income over expenditure		<u>-</u>	<u>-</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.

  
Trustee


  
Trustee

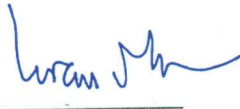
Developments in Literacy  
Statement of Comprehensive Income  
For the year ended 31 December 2011

	2011 (Rupees)	2010 (Rupees)
Excess of income over expenditure for the year	-	-
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>

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The annexed notes from 1 to 22 form an integral part of these financial statements.

  
Trustee

  
Trustee




# Developments in Literacy


## Cash Flow Statement

For the year ended 31 December 2011

		2011 (Rupees)	2010 (Rupees)
	Note		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Excess of income over expenditure		-	-
Adjustments:			
- Expenditure during the year		(181,357,143)	(124,632,687)
- Depreciation	4	3,332,545	1,952,783
- Amortization	5	77,008	-
- Interest income	15	(4,488,683)	(2,079,068)
- Restricted grant for flood recognized as income	12	11,924,900	3,036,930
Operating deficit before working capital changes		(170,511,373)	(121,722,042)
Changes in working capital:			
(Increase) / decrease in assets			
- Advances		(1,838,370)	(1,276,854)
- Short term deposits and prepayments		160,737	211,137
- Long term deposits and prepayments		(32,533)	(1,000,667)
Increase / (decrease) in liabilities			
- Creditors and other payables		3,875,606	(1,215,589)
Net increase / (decrease) in working capital		2,165,440	(3,281,973)
Interest received during the year		5,020,371	1,547,380
Net cash used in operating activities		(163,325,562)	(123,456,635)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure - donated assets		(9,468,318)	(12,734,952)
Decrease / (increase) in short term investments		10,399,000	(10,399,000)
Net cash generated from / (used in) investing activities		930,682	(23,133,952)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase in restricted funds		3,518,073	1,445,570
Funds received during the year		193,837,077	165,746,601
Net cash generated from financing activities		197,355,150	167,192,171
Net increase in cash and cash equivalents		34,960,270	20,601,584
Cash and cash equivalents at beginning of the year		36,642,426	16,040,842
Cash and cash equivalents at end of the year	9	71,602,696	36,642,426

The annexed notes from 1 to 21 form an integral part of these financial statements.

  
Trustee

  
Trustee

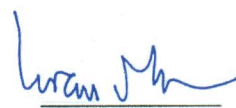
Developments in Literacy  
Statement of Changes in Fund Balance  
For the year ended 31 December 2011

	Note	Rupees
Balance as at 1 January 2010		12,523,152
Fund received during the year	14	162,908,155
Other income	15	2,838,446
		165,746,601
Transferred to income and expenditure account		(119,642,973)
Transfer to deferred grant on purchase of property and equipment	11 & 4	(12,734,952)
Balance as at 31 December 2010		45,891,828
<b>Balance as at 1 January 2011</b>		<b>45,891,828</b>
Fund received during the year	14	187,938,762
Transferred from restricted funds	12	911,207
Other income	15	4,987,108
		193,837,077
Transferred to income and expenditure account		(166,022,690)
Transfer to deferred grant on purchase of property and equipment	11 & 4	(9,216,318)
Transfer to deferred grant on purchase of intangible asset	11 & 5	(252,000)
<b>Balance as at 31 December 2011</b>		<b>64,237,897</b>

The annexed notes from 1 to 22 form an integral part of these financial statements.

*Kumar*

  
Trustee

  
Trustee





# Developments in Literacy

Educating Children • Empowering Communities



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