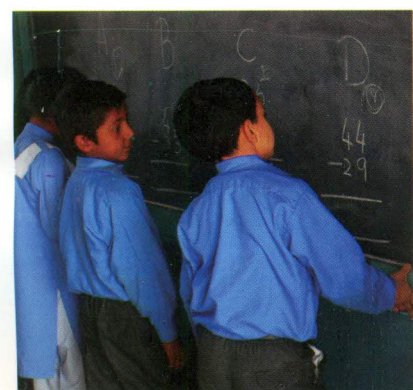
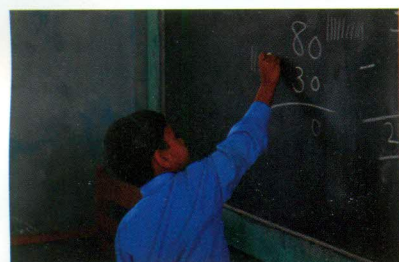


DEVELOPMENTS IN LITERACY



Annual Report
2010

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MESSAGE FROM LEADERSHIP

2010 was an exciting yet challenging year for DIL. New initiatives were successfully piloted and introduced across DIL schools. The most popular ones were the reading and computer programs. Students flocked to inviting, well equipped libraries to read their favorite books. Computer labs, with Internet access, opened a whole new world of learning for our students.

Our students excelled in national and local competitions because of the confidence instilled in them through DIL's co-curricular activities. Our education program that spans across Pakistan has, indeed, benefitted some of the poorest children by providing them a strong footing for future success.

The DIL Teacher Education Center provided training to over 200 non-DIL teachers for the first time expanding DIL's outreach in providing quality education to 82 non-DIL schools across Pakistan. DIL also partnered with Seattle University on a groundbreaking virtual education program for its school principals that focused on effective school leadership and management.

In response to the devastating floods that inundated one fifth of Pakistan last summer, DIL provided immediate relief to over 3000 individuals in Sindh and KPK. Moving into the rehabilitation phase DIL will be constructing 43 low cost, environmentally friendly homes. This will include rebuilding roads and providing street lights, sanitation and landscaping.

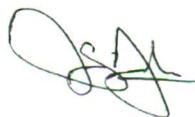
We extend our deep appreciation for the overwhelming support of our patrons who came forward to help Pakistan in its time of need and at the same time continued to support our ongoing programs.

With best wishes,

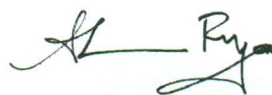
Fiza Shah
CEO DIL



Shazad Dada
Chairperson
DIL Pakistan



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

Imran Ahmed

Naeem Arustu

Shahzad Dada

Jameela Fakhri

Ahmereen Reza

Hashmat Saeed

Tasnim Shaheryar

Muhammad B. Shahzad

Najmi Sarwar

Zia Yusuf

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; reviews and approves annual plans and budgets; assists in expanding outreach, visibility and donor support; and monitors the progress of the organization.

SNAPSHOT OF DIL'S SUCCESS

DIL educates over 16,000 students across Pakistan

DIL operates 147 primary and secondary school in the following regions of Pakistan:

Khyber Pukhtoonkhwa – Dir and Mansehra

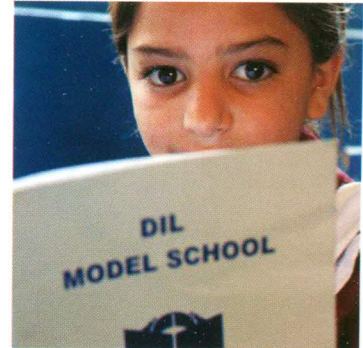
Punjab – Islamabad, Rawalpindi and Sheikhupura

Baluchistan – Mastung, Pishin, and Ziarat

Sindh – Khairpur and Orangi

DIL Affiliates and Chapters

DIL has an international presence with affiliates registered in the United States, Pakistan, Canada and the United Kingdom.



DIL sustains its work through chapters in local communities that hold annual events to raise awareness and funds to support its mission. DIL US currently has chapters in New York, Los Angeles, San Francisco, Washington DC, Houston, San Diego, Denver and Philadelphia. DIL Pakistan has chapters in Karachi and Lahore; DIL Canada has chapters in Toronto and Ottawa; and DIL Trust UK is based in London.

In February 2005, young adults who had grown up supporting the mission of DIL launched their own initiative: *YOUR DIL* (Youth Outreach for Developments in Literacy). *YOUR DIL* promotes awareness and encourages support for DIL's goals through events and activities targeting the needs of a younger generation. *YOUR DIL* currently has chapters in New York, Boston, Chicago, Los Angeles, San Francisco, Austin, Houston, Detroit, Connecticut and Washington DC.

DIL School Partners

- **Cooperation for Advancement Rehabilitation and Education (CARE):** DIL partners with CARE to run 6 government schools in Sheikhupura District, Punjab.
- **Indus Resource Center (IRC):** DIL partners with IRC to run 26 schools in Khairpur District, Sindh.
- **Khwendo Kor (KK):** DIL partners with KK to run 37 schools in Dir, KPK.
- **Naz Old Boys Welfare Association (NOWA):** DIL partners with NOWA to run 28 schools in the Khairpur District of Sindh.
- **Society for Community Support for Primary Education in Baluchistan (SCSPEB):** DIL partners with SCSPEB to run 10 schools in Pishin, Mastung and Ziarat, Baluchistan.



2010 ACHIEVEMENTS

SCHOOL CONSTRUCTION



Construction was completed for Jr-1 and Jr-5 Schools in Orangi, Khuda Ki Basti School in Kala Shah Kaku, and ICT Chappar and ICT Chopal Pattan Schools in Islamabad. Expansion projects, in which additional rooms were constructed for schools, were carried out in the following schools during the year: Mehran Jr-3 in Orangi, ICT Pind Malkan, ICT Ghora Mast and ICT Bunni Behk.

LIBRARIES & READING PROGRAM

DIL has created modern libraries at 32 of its schools in Orangi, Pindi, Mansehra, Islamabad and Khairpur. These colorful and inviting libraries contain age appropriate, easily accessible books that are extremely popular with students. As libraries improve and grow, DIL Teachers are faced with a new, but wonderful problem: getting children to stop



reading at the end of the day. “Now students just want to pour over their books after school hours. Many have not had this chance before,” says Anjana Raza, DIL Executive Director in Pakistan. In addition to their reading during scheduled library periods, some schools have also started reading clubs after school. Children attending government or other private schools are also accessing DIL libraries.

Complimenting DIL’s efforts to provide learning opportunities for its students, a book fair was organized by the KK DIL project office. The initiative equipped twelve DIL schools with books, supplied by partner-NGO Relief International.



SCHOLARSHIPS

Providing scholarships is yet another way DIL provides access to education for underprivileged children in Pakistan. In addition to providing quality education for free or for a nominal fee, DIL also provides scholarships to its graduates seeking to continue their education. In 2010, in DIL’s Orangi Schools, 100 students received scholarships to participate in an English language program. Many DIL graduates pursuing admission to private schools received full scholarships from DIL. The total number of DIL students receiving scholarships for the year was 381.

TEACHER DEVELOPMENT

DIL's Teacher Education Center (DTEC) made a breakthrough in the summer of 2010 by training teachers from other schools. By the end of the year, DIL conducted professional development training for approximately 900 DIL and non-DIL teachers, providing improved quality of instruction to 22,544 students. Teacher trainings were designed using the Pakistan National Curriculum for Math, English, and Urdu. This enabled DTEC to deliver targeted and focused trainings from KG-Grade 5.



DIL trainings reached a new level of energy in 2010 as they were based on developing teachers' capacity for problem solving, collaboration, and creativity, while reinforcing concepts. Instead of trainers conducting predesigned activities, they facilitated teachers in developing their own activities. A participant of the summer trainings shared her feedback on the training: "We feel that our



minds have been opened. There is a bulb that has come on!" This year, an external consultant was hired to observe and record the framework used for developing DIL's trainings, which led to the creation of DIL's Teacher Training Model.



Teacher training has remarkably transformed the lives of our young teachers, many of who are the first women in their families to seek employment. Teachers now eagerly serve as both educators and community leaders in their villages. "The same people who objected to my receiving an education are now sending their girls to be taught by me," DIL teacher Zuriat says. "Through my hard work, I have succeeded in not only getting where I wanted to be, but also in changing attitudes and beliefs in my community."

Principal and Head Teacher Training

DIL identified and responded to the need to build the capacity of its management staff by training 75 school principals and head-teachers this year. Principals and head-teachers attended capacity building training to better understand the dynamics of school management and administration. The sessions prepared them to apply data collection tools to improve decision making. Head teachers in DIL's Khairpur schools received operational management and finance training that enhanced their professional capacity to create learning environments.



Principals were also trained on various management and monitoring tools. Empowering school leaders and the local community to take ownership of their school is an on-going process, and DIL has taken concrete steps in 2010 towards reaching this goal.

Teacher Newsletter



The first edition of DIL's Teacher Newsletter was published in August 2010 in Urdu, Sindhi, and English. The newsletter reinforces what the trainings encourage teachers to do – be creative problem solvers in their

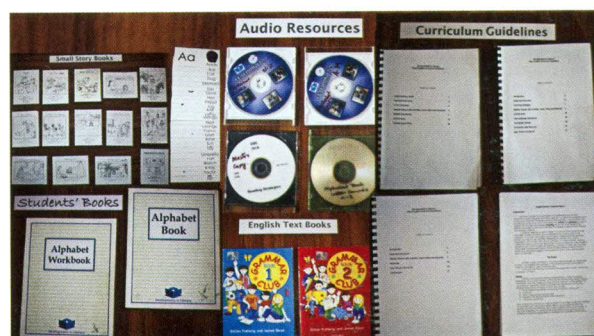
environment. It features teacher and student stories, successful teaching techniques and fun classroom activities. Already circulated in all DIL schools, plans are underway to widen the circulation to other schools and organizations. Teachers are happy to share ideas and techniques through the newsletter. It has created healthy competition amongst the teachers, encouraging them to share their stories for the next edition of the publication.

CURRICULUM DEVELOPMENT

DIL is now in its fourth year of researching, developing and implementing its own curriculum in DIL schools. What started as a program focused only on improving English

instruction, has now expanded to include Urdu, Math, Science and general teaching Pedagogy. The curriculum that was completed during 2010 includes English - Class 3, Urdu - Class 3, and Math – Class KG and Class 1. DIL also hired a full-time Science Master Trainer in the Spring of 2010 who is responsible for developing the Science curriculum.

DIL's team of curriculum developers, along with its capable training staff have greatly improved the quality of education in DIL schools. Each subject curriculum is developed in accordance with the Pakistan Ministry of Education's instructional standards. Each developer researches relevant material to make the curriculum more accessible and relevant to the communities where DIL operates. Teachers' guides and additional support materials are created to enhance the curriculum. DIL's staff and teachers are involved in the process from the beginning, providing valuable evaluation and feedback. Extremely positive comments have been



received from the teachers regarding the new math program. They especially liked the introduction of manipulatives, i.e. false currency, pattern blocks and indigenous materials, as a way to provide hands-on learning for conceptual understanding of math concepts while increasing children's interest in the subject.

DIL is continuing to develop curricula for all subjects, one grade level at a time. The goal is to have a full primary curriculum completed by the end of December 2011.

PEDAGOGY

With the addition of pedagogy this past year, DIL is expanding the breadth of its programs. Pedagogy provides a set of useful teaching strategies and approaches that can be woven into all subjects and grade levels. By acquiring good pedagogical practices the teachers are able to manage the varying needs of their students skillfully while modeling good leadership for their students and the community.

Pedagogy training was carried out by DIL for the first time in the summer of 2010, which served as the precursor to the writing of DIL's Pedagogy curriculum. DIL's Pedagogy curriculum is being developed by DIL's Curriculum Director and Training Team and will be rolled out in stages over 2011.

COMPUTERS AND INTERNET TECHNOLOGY

Computer Labs



In 2010, 8 computer labs (in 5 schools in Orangi and 3 schools in Khairpur) received Internet access and are now being used by students to conduct online research for their school projects.

Computer teachers at DIL's Orangi schools were trained in maintenance and management of the computer lab and teaching students how to use different types of computer software. Establishment of two new computer labs was initiated in Khairpur. In 2011, DIL plans to provide Internet connection to additional schools and introduce afterschool computer programs.

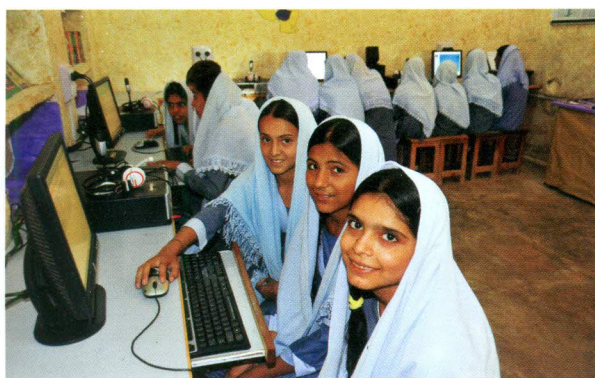
Computers Connect Students to the World



DIL is sparking meaningful online engagement for students as they access, for the first time, knowledge and information worldwide. In a new program, DIL students are communicating with students in Karachi and Pishin through a hands-on, summer computer camp at DIL's Mehran School. The program is part of DIL's new virtual education collaboration with a partner, i-EARN Pakistan, an affiliate of i-EARN—International Education and Resource Network, which engages about 750,000 students in 38 countries. In the first activity, for which i-EARN Pakistan provided support and training, 10 students and 1 teacher participated in a month long online program with three other schools in Karachi and Pishin. Students learnt to do research using the internet, preparing power point presentations, and sharing their project work over the internet with other students. Saleha, one of the four DIL Orangi computer teachers



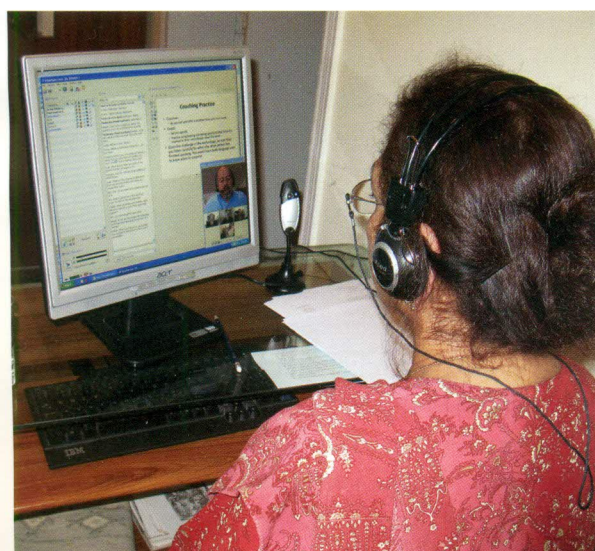
commented, “my students were isolated, they knew nothing beyond their school. But with the computer program they are meeting so many other students and learning so many new things.” Another teacher noted that “through the internet, Skype, and chatting [her] students have gained confidence and are not hesitant to use technology.”



DIL has already planned to scale-up this program to include 10 more schools with 200 students and 20 teachers. For the first time, DIL teachers and students will be collaborating with their peers across schools and districts. Research demonstrates that computer interaction between students around the world boosts learning and improves reading and writing test scores.

DIL Pioneers Virtual Education Pilot

DIL is pioneering an innovative virtual education paradigm to train school principals and teachers in the most remote communities,

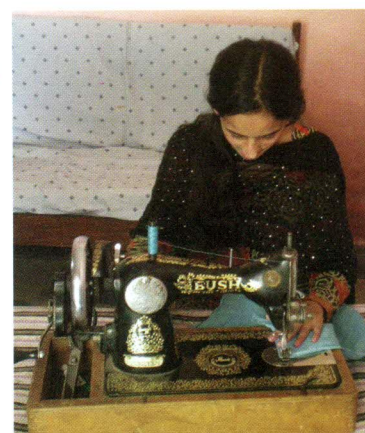


where access to education and training is extremely difficult. Under this groundbreaking virtual education pilot project, DIL and Seattle University will use video conferencing to create a culture of effective leadership within DIL schools. Seattle University will provide DIL’s five master trainers with virtual instructional sessions and follow-up support coaching sessions and classroom observation tools from the United States. Once coached, the five DIL trainers will then each go out and interact with and train several principals in Orangi and Pindi DIL schools. If successful, DIL and Seattle University plan to scale up the pilot project, impacting even more regions. Virtual education has only existed in Pakistan since 2002.

VOCATIONAL TRAINING

DIL began a vocational training centre (VTC) in 2009 to provide support, beyond school-based education, to the communities in which DIL schools are located. This support comes in the form of specialized trainings, which can be grouped into two main categories: Sewing and handicraft; and Computers and Internet Technology. DIL’s VTC programs target young women, the families of DIL students, and the local communities catered to by DIL schools. VTCs have been established in Orangi, one of the largest squatter settlements in the world.

This year, hundreds of VTC participants trained in sewing, knitting, embroidery, and candle making are successfully marketing their products. Many women are working as seamstresses and earning a monthly income, which serves to boost their families’ welfare and further empower them.



In 2010, DIL established one Computer VTC to boost the competency of individuals towards computer related professions. Through this course, participants become familiar with the scope of IT and aware of professional opportunities available to them. The Computer VTC is also training individuals to serve as computer teachers for DIL schools.



DIL VOLUNTEERS

A volunteer from the UK spent last summer teaching spoken English to DIL teachers and students in Orangi. The summer course was so popular with teachers that it developed into an English Language Coaching Program, linking corporate organizations' Corporate Social Responsibility units with DIL schools. Building from the success of this experience, a structured volunteer program is now being developed and over the next year, successful initiatives will be replicated across DIL schools.

COMMUNITY EMPOWERMENT

Empowering communities is a central outcome of DIL's work in Pakistan. DIL projects take special measures to involve community stakeholders in maintaining and operating its schools. In Khairpur Schools, for example, "Female Education Councils" provide mothers formal avenues of participating in school affairs. The Rawalpindi project also began to engage the community in participating in school sustainability. Such involvement aims to increase enrolment, decrease attrition, gain student support from home, and maintain school facilities.

DIL FLOOD RELIEF EFFORTS

DIL extends deep appreciation for the outpouring of support from generous donors during the July/August 2010 catastrophic flooding that inundated one-fifth of Pakistan. DIL collectively raised USD 245,000 in the US, the UK, and Pakistan. DIL's response to the floods includes two phases- the first addressed the emergency needs of those affected and the second deals with the longer- term needs that result from a natural disaster.



During the immediate relief phase, funds from DIL donors provided treatment for 904 people at 3 medical camps in Dir, KPK. In addition, DIL distributed food supplies to 200 people and assisted in the reconstruction of 12 homes that benefitted 96 people in Charsada, KPK. In Khairpur, Sindh, DIL distributed hygiene kits as well as clothing, formula and feeding supplies for newborns that benefitted over 2,000 individuals. Funds were also used to repair 7 schools, rebuild 3 others and restock all 10 schools with furniture and educational materials. DIL also helped affected children gain a sense of normalcy by providing instruction for children from internally displaced families living in nearby camps.

Moving into the rehabilitation phase, DIL partnered with Karachi Relief Trust to construct 43 low-cost, environmentally-friendly homes for the most vulnerable families in the village of Jhirack, Sindh. Through this

program, community members participate in building their own homes while learning new marketable skills. Funds will also be used to rebuild roads, streetlights, sanitation and landscaping in 2011. Additionally, DIL Trust UK is partnering with Indus Earth to build 14 homes in Sagyoon, Khairpur, where DIL school communities were directly affected.



ORGANIZATIONAL DEVELOPMENT

DIL's Strategic Plan

The strategic planning process identified key initiatives needed over the next three years to meet DIL's vision and mission. Achieving optimal excellence in current programs, standardization and replication across programs and projects and maximum impact of DIL's successful interventions were identified as the main strategic objectives. Directors, managers and relevant staff members were included in the process to ensure that realistic targets were being set for the organization.

In October, the DIL Global Board finalized the Strategic Plan for 2011-13, positioning DIL for greater impact over the next three years and providing a roadmap for organizational development. The key focus areas of the document are as follows:

- To create conducive conditions that allow 20,000 students from poor families to gain maximum benefit from their educational experience;

- To increase the knowledge base and skills of 80,000 students by improving the delivery of education by DIL trained teachers;
- To develop partnerships with government and non-government stakeholders to create a niche; and
- To enhance organizational capacities and capabilities to meet its targets and effectively manage the scaling up process.

Monitoring and Evaluation

Applying M&E processes will measure the impact of DIL programs and inform future planning. As DIL scales up, these tools are important to ensure quality standards across the organization's programs.

Human Resource Learning Center (HRLC) conducted a five day training workshop for 29 DIL and DIL Partner NGO staff on Result Based Management. Key skills were enhanced to use tools for program development, planning, and monitoring. As field staff, partner project teams, and managers participated together, a shared language and concept level was achieved.

Partnership Development

DIL works with many like-minded organizations to achieve common educational goals and objectives in ways that are mutually beneficial and promote respect, trust, and empowerment.

DIL seeks to work in collaboration with a wide variety of government and nongovernmental as well as corporate sector organizations to: expand the outreach and impact of its programs, gain respect and visibility in the education sector in Pakistan, and to learn from the experience of others.

DIL is one of the founding members of the Alliance Group for Education. Supported by Syed Babar Ali, other members include Ali Institute, Care, and Comcept. The Alliance group has the primary objective of teacher

education and professional development, targeting sustainable improvement in quality and access through private sector collaboration; and a secondary objective of offering synergistic programs for local community, e.g. adult literacy, vocational trainings, university outreach programs, career training workshops. Through this platform, DIL is linking with institutions like LUMS to develop a student volunteer program for teaching and is developing on-line capacity for conducting student and teacher assessments with support from Comcept. DIL is also leading a working group to develop quality criteria for on-line trainings.

Instead of building more schools, DIL prefers to shift its focus to providing technical support and teacher and staff training to organizations already running schools, such as the Pakistani philanthropic organization Pakistan Rising.

DIL is also gaining from its partnerships with the Pakistan Institute for Environment Development Action Research (PIEDAR). The organization is helping DIL schools create a

green environment through clean water and sanitation, recycling, and planting of trees. Enthusiasm was high among the 32 DIL schools participating in the program.



DIL has collaborated with Intel to promote IT based teacher training. DIL has also partnered with CHIP, providing teacher training in exchange for social mobilization and capacity building of DIL's field staff. In addition, Relief International has donated books for 52 DIL schools and 10 mobile shelving units. In return DIL will share its Reading Program training with RI.

ANITA

Anita's mother was married at the age of 14 to a man who was 50 years old. Anita's father died seven years later, leaving her mother to support and care for four young children. Anita's mother was left no choice but to begin tending cattle and doing a bit of small-scale farming. Working by her side throughout, was 5-year-old Anita.



Anita, receiving the Best Performance Certificate from Chairman of IRC

Soon, a DIL-IRC school opened in her village and a teacher asked that Anita be enrolled. Initially, Anita's mother declined, but upon learning that DIL-IRC would offer a scholarship to cover the costs of the education, she registered her daughter.

Anita loved going to school where she flourished and soon became a favorite amongst the teachers. Year after year she was at the top of her class, while also continuing work after school in the field with her mother. By the time she passed her matriculation exam, Anita had decided that she wanted to become a teacher. Because there was no teaching position available in her village, she decided to teach voluntarily at a nearby school.

Last year, the very school she graduated from needed an additional teacher. Anita applied for the position which included a written exam and an interview. Anita was selected as the new teacher at DIL-IRC School, Syed Waryal Shah. With her income she is helping to reduce her mother's workload.

Anita now inspires her students to work hard, get good grades and accomplish their goals. It is women like Anita who are the true catalysts for grassroots social change in Pakistan.

OTHER ACHIEVEMENTS

DIL schools competed with 1,500 government and private schools across Pakistan in the Design for Change contest, which was described as a “global movement designed to give young people an opportunity to express their own ideas for a better world and put them into action.” DIL takes great pride in announcing that the DIL School MAH Siddiqi won an award for the “Easiest to Replicate” category, which is given to participants who offer impactful ideas that are easy to put into action.

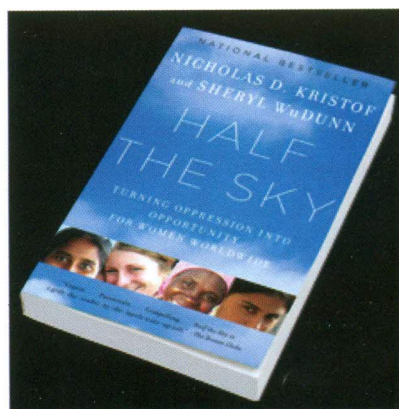


The winning DIL team decided to make their street cleaner and safer by finding a solution to illnesses and injuries caused by standing water in open gutters. It is worth noting that, while all other winning entries comprised of video and photo presentations, theirs was a simple, handwritten submission.

DIL RECOGNITION

DIL is grateful for outstanding coverage from Pulitzer prizewinning, NY Times correspondent Nicholas Kristof, who first recognized DIL's efforts in his popular column in 2008. In another column this spring, Kristof wrote that DIL “builds schools for girls in Pakistan that are the most exhilarating things I’ve seen there.

It costs \$1,500 to sponsor a DIL classroom for a year, and that’s just about the best long term counter- terrorism investment available.”



Kristof is the co-author, with his wife Sheryl WuDunn of the book, *Half the Sky: From Oppression to Opportunity*. On the popular Half the Sky website, DIL is listed under organizations that support women in the developing world.



HOW DIL IS DIFFERENT

Focus on Female Education

Over 65% of DIL's student population is female. This is a great feat since the national literacy rate for women in Pakistan stands at only 38%.

Child-Centered Education

DIL actively engages in student-centered teaching at its schools, which is an alternative to the traditional system of rote learning. Child-centered education encourages creativity, critical thinking as well as social skills.



Activity-Based Learning

In this inquiry-based approach, students develop knowledge and understanding through learning activities built upon intellectual inquiry and engagement in meaningful tasks.



Monitoring and Evaluation

The key to the success of DIL's projects is a robust monitoring framework and complete financial transparency. DIL's monitoring framework consists of a three-tiered approach that includes local and regional monitors as well as visits conducted by DIL's Board of Directors.

Low Dropout Rate

The average student dropout rate for DIL schools is only 1.85%, which is an enormous achievement considering the nationwide dropout rate in Pakistan is 45%.



2010 GLOBAL SPONSORS

Barclays Bank PLC

British Asian Trust (BAT)

Coca Cola Export Corporation Pakistan

Credit Suisse Group

Pakistan Poverty Alleviation Fund (PPAF)

Pepsi Cola International (Private) Limited

Schering Plough

Target International

Trees for Life

United Nations Women Guild Geneva (UNWG)

AWARENESS AND FUND-RAISING

DIL Chapter Events Raise Over \$1.2 Million in 2010

DIL Houston held its 8th annual gala at the Omni Hotel where, amidst the glitz and glamour, the generous Houston community came together to raise \$150,000 for DIL. Keynote speaker, Pervez Hoodbhoy delivered a sobering message about the dismal state of education in Pakistan, reinforcing the critical need to redouble DIL's efforts in this field. An Eid Bazaar was also held by DIL Houston in November at which over 70 volunteers came together to raise awareness and generate funds for DIL.



(Left to right) Harparminder Chadha, M.D., Sami Ahmad and Pervaiz Hoodboy

Over 500 guests attended **DIL Los Angeles'** October event at the St. Regis Monarch Beach Resort in Dana Point. The record-breaking event raised over \$600,000 for DIL programs. A walk was held earlier in the year at the Mason Regional Park in Irvine, where 300 participants walked 3K to raise support DIL.



In November, over 300 supporters attended **DIL San Francisco's** elegant gala, "Rhythms of the Indus". The event was held at the Crowne Plaza Cabana Hotel in Palo Alto and featured keynote speaker Samuel Klein, Director of Outreach for One Laptop per Child and Salman Khan, founder of the Khan Academy. Highlights of the evening included a Kathak dance, a Bhangra performance by the Ishaara group and musical performances by Riffat Sultana and Kamal Hyder and Company.



DIL San Diego held a grand event on May 8, featuring a fashion show by Sarah Ansari, a performance by local band "MAST," a stand-up routine by Pakistani Comedian, Beo Zafar, and a speech by Ethan Casey who has authored two books on Pakistan.

Gotham Hall provided a stunning backdrop for the 2010 **DIL New York** Gala. Keynote speaker, Jacqueline Novogratz, founder and CEO of the Acumen Fund, captivated the audience. An auction was held, in which a painting by the renowned artist, M.F. Hussain was sold for \$79,000. The pledge drive following the auction raised an additional \$54,000 for flood victims. Over \$480,000 was raised at the event.

DIL Washington DC's annual fundraiser included a presentation by keynote speaker Todd Shea, who spoke about his humanitarian projects in the remote areas of Northwest Pakistan after the 2005 earthquake and a performance by Punjabi singer, Sunbal Raja.

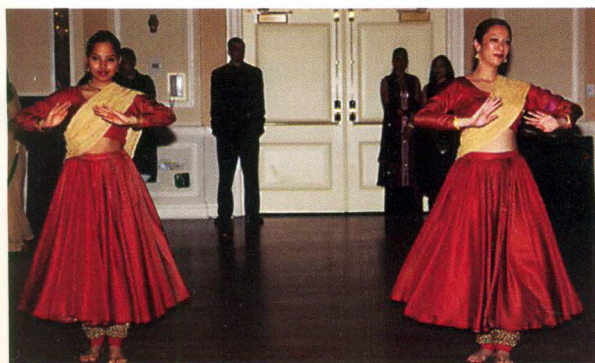
DIL Philadelphia held its inaugural banquet



at the Springfield Country Club in August. Over 100 guests enjoyed the event, including the retired Chief Justice of Pakistan, Hon. Sheikh Riaz Ahmed and keynote speaker, Dr.

Maleeha Lodhi, former Pakistani ambassador to the US (and current member of the DIL Advisory Board).

DIL Toronto's annual fundraising gala drew 350 guests who were addressed by Consul General of Pakistan Sahebzada A. Khan, Toronto Mayoral candidates Rocco Rossi, George Smitherman and MP Bob Dechert. Imran Khan, Pakistani politician and sports icon, also sent a special video message. A live auction was followed by a sitar performance by Anwar Khurshid of the Sitar School of Toronto, a Kathak dance performances by the Chhandam Dance Company and music by DJ Kamran.



DIL Ottawa held a musical evening featuring Abdul Zakir & Co. on May 22nd, 2010. DIL Ottawa joined forces with several other Canadian charities following the Pakistan Summer Floods to assist victims of the disaster. Funds

raised were used to purchase and distribute care packages to families in the Sindh Province. In November, members of DIL Ottawa were invited to speak at the Amnesty International Annual Fundraiser to raise awareness of the importance of global literacy.

DIL Trust UK hosted an afternoon tea in October to raise funds for flood victims in Pakistan. Held at The Churchill, Hyatt Regency, the event included an elegant fashion show that featured both traditional and contemporary saris donated by DIL supporters. With nearly 200 people in attendance, the event helped DIL Trust UK raise over GBP 23,000 through sales of saris and other donations.

DIL Karachi successfully held its first fundraising event where more than Rs. 6,500,000 was raised. Its second fundraiser, a fashion show, collected a total of Rs.4,480,968 in donations. In response to this fundraiser, Etihad Airways selected DIL as their charity of choice. DIL will now receive the cash equivalent for air miles donated by Etihad Airways clients.

DIL Lahore was launched in March at a private luncheon with renowned educators and leading philanthropists. For its first fundraiser, the chapter brought quality theatre to the citizens of Lahore. "Mama Mia," a musical by Made for Stage Production, ran for seven consecutive days at Alhamra Auditorium.



DIL is pleased to announce the launch this year of the **Las Vegas** and **Atlanta DIL Chapters**.

YOUR DIL Chapters were also busy in 2010, gathering funds and support for DIL Program. Just a few of the many events hosted by YOUR DIL Chapters over the year are highlighted below:


YOUR DIL San Francisco hosted an event on May 8, which mimicked the elegance of Monaco's Monte Carlo and thrills of Las Vegas. The event raised enough funds to guarantee education for 141 children.

YOUR DIL Austin, on May 16, hosted an Arabian Night Fundraising Dinner at Marrakesh Café and Grill, raising around \$2,000.



YOUR DIL New York sponsored the 2010 South Asian International Film Festival (SAIFF) in New York (October 27 - November 2), specifically the film "Slackistan." SAIFF is the largest film premiere destination for South Asian filmmakers in the United States, at which, once a year, both emerging and established filmmakers are given the opportunity to showcase their latest productions.

YOUR DIL Los Angeles was active this year with various fundraising events, including a hip-hop dance competition an evening of music and food and a benefit to support those affected by floods in Pakistan.



**PAKISTAN
NEEDS YOUR
HELP!!**


Sunday,
September 26th, 2010
1:00PM - 4:00PM
@
Roxbury Park
471 S. Roxbury Dr.
Beverly Hills, CA 90212

Come join us for fun, games,
and a delicious halal lunch
from Sunnin Lebanese Cafe!

We already have 2 matching
donors who will match \$2 for
every \$1 you donate!!

Tickets: \$25 until Sept. 25th
\$30 at the door

Tickets available at www.yourdil.org Questions? Call Asad @ 818.472.8880



DIL USA AUDIT REPORT



Troy Yoshida & Leland Lau, LLP
12062 Valley View Street Suite 220
Garden Grove, CA 92845
(714) 892-8003 office
(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, 2010 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 2009 financial statements and, in the prior audit report dated September 20, 2010, 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, 2010, 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.

Troy K Yoshida & Leland Lau LLP

Troy Yoshida & Leland Lau, LLP
Garden Grove, CA
October 15, 2011

DEVELOPMENTS IN LITERACY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010
(with summarized totals for 2009)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2010 Totals</u>	<u>2009 Totals</u>
ASSETS				
CURRENT ASSETS:				
Cash	\$ 1,696,671	\$ -	\$1,696,671	\$1,551,792
Current Portion of Pledges Receivable, Net	168,971	-	168,971	67,105
Prepaid Expenses	-	-	-	1,000
TOTAL CURRENT ASSETS	<u>1,865,642</u>	<u>-</u>	<u>1,865,642</u>	<u>1,619,897</u>
PROPERTY & EQUIPMENT, Net	457	-	457	634
OTHER ASSETS:				
Noncurrent Portion of Pledges Receivable, Net	-	36,107	36,107	72,841
Investments	515,582	-	515,582	452,504
Deposits	<u>326</u>	<u>-</u>	<u>326</u>	<u>326</u>
TOTAL OTHER ASSETS	<u>515,908</u>	<u>36,107</u>	<u>552,015</u>	<u>525,671</u>
TOTAL ASSETS	<u><u>\$ 2,382,007</u></u>	<u><u>\$ 36,107</u></u>	<u><u>\$2,418,114</u></u>	<u><u>\$2,146,202</u></u>
LIABILITIES & NET ASSETS				
CURRENT LIABILITIES:	\$ -	\$ -	\$ -	\$ -
NET ASSETS:				
Unrestricted				
Designated	500,000	-	500,000	500,000
Undesignated	1,882,007	-	1,882,007	1,573,361
Temporarily Restricted	<u>-</u>	<u>36,107</u>	<u>36,107</u>	<u>72,841</u>
TOTAL NET ASSETS	<u>2,382,007</u>	<u>36,107</u>	<u>2,418,114</u>	<u>2,146,202</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 2,382,007</u></u>	<u><u>\$ 36,107</u></u>	<u><u>\$2,418,114</u></u>	<u><u>\$2,146,202</u></u>

DEVELOPMENTS IN LITERACY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010
(with summarized totals for 2009)

	Unrestricted	Temporarily Restricted	2010 Totals	2009 Totals
REVENUES AND OTHER SUPPORT				
Fundraising	\$ 1,286,205	\$ -	\$ 1,286,205	\$ 1,284,635
Contributions	800,857	91,865	892,722	485,850
Interest and Dividend Income	13,640	-	13,640	14,001
Net Unrealized Gain (Loss)	62,106	-	62,106	75,851
Net Assets Released from Time Restriction	128,599	(128,599)	-	-
TOTAL REVENUES AND OTHER SUPPORT	2,291,407	(36,734)	2,254,673	1,860,337
EXPENSES				
Program Services	\$ 1,600,542	\$ -	\$ 1,600,542	\$ 1,192,600
Supporting Services				
Management and General	104,837	-	104,837	75,298
Fundraising	277,382	-	277,382	283,335
TOTAL EXPENSES AND LOSSES	1,982,761	-	1,982,761	1,551,233
CHANGE IN NET ASSETS	\$ 308,646	\$ (36,734)	\$ 271,912	\$ 309,104
NET ASSETS AT BEGINNING OF YEAR	\$ 2,073,361	\$ 72,841	\$ 2,146,202	\$ 1,837,098
NET ASSETS AT END OF YEAR	\$ 2,382,007	\$ 36,107	\$ 2,418,114	\$ 2,146,202

DEVELOPMENTS IN LITERACY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010
(with summarized totals for 2009)

	Program Services	Supporting Services		2010 Totals	2009 Totals
		Management and General	Fundraising		
Education:					
Personnel	\$ 675,384	\$ -	\$ -	\$ 675,384	\$ 579,292
Facilities Exp	28,345	-	-	28,345	32,305
Equip & Furniture Exp	44,322	-	-	44,322	49,235
Books & Materials	42,698	-	-	42,698	37,354
Student Services & Activities	12,477	-	-	12,477	10,702
Scholarships	13,466	-	-	13,466	20,441
Training & Monitoring	9,686	-	-	9,686	16,577
Monitoring & Evaluations	20,378	-	-	20,378	-
Curriculum Development	15,013	-	-	15,013	8,446
Operating Expenses	100,742	-	-	100,742	64,964
Capital Costs	274,020	-	-	274,020	241,572
Professional Fees	5,241	-	-	5,241	5,540
Fundraising	349	-	-	349	-
Travel Expense	-	-	-	-	15,878
Flood Relief	166,530	-	-	166,530	-
Direct Fundraising Event Expense:					
Dinners	-	-	17,120	17,120	18,870
Hotel Rental	-	-	134,669	134,669	135,345
Video, Audio and Rentals	-	-	13,205	13,205	15,204
Entertainment	-	-	37,846	37,846	64,498
Credit Card Fees	-	-	6,062	6,062	6,426
Database and Software	-	6,034	-	6,034	2,839
Depreciation	-	177	-	177	327
Employee Benefits	2,739	1,424	649	4,812	7,043
Employer Payroll Taxes	12,692	1,065	2,788	16,545	9,377
Insurance	600	3,616	125	4,341	3,616
Marketing	-	6,000	-	6,000	-
Miscellaneous	-	11,802	7,019	18,821	12,880
Newsletter	-	11,147	-	11,147	3,228
Office Supplies	-	1,200	-	1,200	1,168
Payroll	120,371	34,249	31,505	186,125	127,081
Postage and Printing	53	8,528	7,178	15,759	8,550
Professional Fees	-	7,400	-	7,400	8,416
Program Curriculum Development	29,800	-	-	29,800	3,770
Rent	8,055	1,611	1,074	10,740	10,640
Small Equipment	971	1,250	-	2,221	1,042
Supplies	-	-	15,445	15,445	13,778
Telephone	-	2,568	-	2,568	2,316
Travel	4,176	1,917	1,641	7,734	2,496
Website	1,381	1,165	1,056	3,602	1,205
Loss on Uncollectible Pledges	11,053	3,684	-	14,737	8,812
TOTAL EXPENSES	<u>\$ 1,600,542</u>	<u>\$ 104,837</u>	<u>\$ 277,382</u>	<u>\$ 1,982,761</u>	<u>\$ 1,551,233</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 year ended 05th April 2009 which comprise pages 12 to 18. 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 14 to note 18.

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

**Statement of Financial Activities
for the year ended 05th April 2010**

		<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	
		<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	
Notes		2010	2010	2010	2009
		£	£	£	£
INCOMING RESOURCES					
UK – General Contribution		3,430	-	3,430	7,578
Pakistan- General Donations	2	-	-	-	2,184
Donation for Mehran School	3	-	5,000	5,000	6,600
Donation for Teacher Training	4	-	50,090	50,090	6,600
Fund Raising Activities	5	-	114,642	114,642	135,505
Vocational Training	6	-	4,298	4,298	-
Advertising income – Journal		5,000	-	5,000	-
YOUR DIL Collection	7	-	2,563	2,563	1,423
Bank Interest Income		729	-	729	608
Gift Aid reclaimed		1,493	-	1,493	-
Total incoming resources		10,652	176,593	187,245	160,498
RESOURCES EXPENDED					
Operating expense-					
- Mehran School -Pakistan	8	-	5,319	5,319	4,396
School Maintenance cost	9	-	1,541	1,541	2,666
Teacher Training	10	-	2,019	2,019	-
Vocational Training	11	-	1,163	1,163	-
Fund raising cost	12	-	35,803	35,803	68,519
Management & governance cost	13	2,035	-	2,035	811
Total resources expended		2,035	45,845	47,880	76,392
NET INCOMING/ (OUTGOING) RESOURCES		8,617	130,748	139,365	84,106
TOTAL FUNDS BROUGHT FORWARD		7,375	74,903	82,278	(1,828)
TOTAL FUNDS CARRIED FORWARD		15,992	205,651	221,643	82,278

There were no recognised gains or losses for the two years other than those included in the statement of financial activities. The notes on pages 14 to 18 form part of these accounts.

Balance Sheet
as at 05th April 2010

		2010		2009	
	Notes	£	£	£	£
Current Assets					
Cash at bank and in hand		217,545		91,502	
Balance with DIL Pakistan	14	4,098			
		<u>221,643</u>		<u>91,502</u>	
Current Liabilities					
Payable to DIL Pakistan	14	-		9,181	
Other creditors		-		43	
		<u>-</u>		<u>9,224</u>	
Net Current Assets			221,643		82,278
Total Assets less Current Liabilities			<u>221,643</u>		<u>82,278</u>
Capital Account					
Reserves as at 6 th April 2009			82,278		(1,828)
Surplus for the period			139,365		84,106
			<u>221,643</u>		<u>82,278</u>

Approved by the trustees on 19th November 2010 and signed on their behalf.



Ahmereen Reza
Trustee & Chair

Date: 19th November 2010

DIL PAKISTAN AUDIT REPORT



KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building No. 5
Jinnah Avenue, Blue Area
Islamabad, Pakistan

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Internet www.kpmg.com.pk

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRSUTEES OF DEVELOPMENTS IN LITERACY

We have audited the accompanying financial statements of Developments in Literacy ("the Society"), which comprise the balance sheet as at 31 December 2010, the income and expenditure statement, statement of comprehensive income, cash flow statement and statements of changes in fund balance for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Society as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

06 JUN 2011
Date: 06 June 2011
ISLAMABAD


KPMG TASEER HADI & Co.
CHARTERED ACCOUNTANTS
Muhammad Rehan Chughtai
Rehan

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

Developments in Literacy

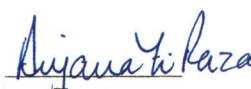
Balance sheet

As at 31 December 2010

	Note	2010 (Rupees)	2009 (Rupees)
NON-CURRENT ASSETS			
Property and equipment	4	22,034,853	11,252,684
Long term prepayment	5	1,000,667	-
<i>Total non-current assets</i>		23,035,520	11,252,684
CURRENT ASSETS			
Advances - unsecured, considered good	6	1,758,550	481,696
Deposits and prepayments	7	625,307	836,444
Short term investment	8	10,399,000	-
Accrued mark-up		531,688	-
Cash and bank balances	9	36,642,426	16,040,842
<i>Total current assets</i>		49,956,971	17,358,982
CURRENT LIABILITIES			
<i>Total current liabilities - Accrued and other liabilities</i>	10	(3,620,240)	(4,835,829)
<i>Net current assets</i>		46,336,731	12,523,153
NET ASSETS		<u>69,372,251</u>	<u>23,775,837</u>
NON-CURRENT LIABILITIES			
Deferred grant	11	22,034,853	11,252,684
REPRESENTED BY:			
Fund balance - restricted		45,891,828	12,523,153
Restricted funds - for flood relief	12	1,445,570	-
		47,337,398	12,523,153
		<u>69,372,251</u>	<u>23,775,837</u>
Contingencies and commitments	13		

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



Trustee

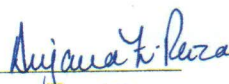

Trustee

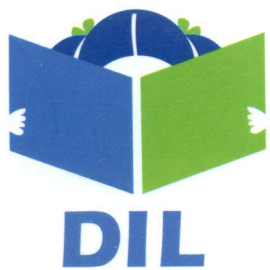
Developments in Literacy
Income and Expenditure Account
For the year ended 31 December 2010

	Notes	2010 (Rupees)	2009 (Rupees)
INCOME			
Transferred from fund balance		119,642,974	99,768,342
Deferred grant recognized	11	1,952,783	1,414,056
Restricted funds recognized	12	3,036,930	-
		<u>124,632,687</u>	<u>101,182,398</u>
EXPENDITURE			
Grants to other NGOs	16	41,569,467	54,874,122
General and administration expenses	17	10,758,436	4,083,858
Program expenses	18	33,935,506	18,180,650
Project expenses	19	38,369,278	24,043,768
		<u>(124,632,687)</u>	<u>(101,182,398)</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

Educating Children • Empowering Communities



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