



EMPLOYERS' FEDERATION OF PAKISTAN

THE ONLY MEMBER OF INTERNATIONAL ORGANIZATION OF EMPLOYERS, GENEVA, A CONSTITUENT OF INTERNATIONAL LABOUR ORGANIZATION, MEMBER OF COMMONWEALTH ENTERPRISE AND INVESTMENT COUNCIL, CONFEDERATION OF ASIA - PACIFIC EMPLOYERS & SOUTH ASIAN FORUM OF EMPLOYERS

2nd Floor, State Life Building No 2,
Wallace Road, Off. I.I. Chundrigar
Road, Karachi-74000
+92-21-3246-3790, 92-21-3241-1551
+92-21-3243-9347
info@efp.org.pk ; www.efp.org.pk

30th September, 2019

NOTICE OF 66th ANNUAL GENERAL MEETING (AGM)

NOTICE is hereby given that 66th Annual General Meeting of the Employers' Federation of Pakistan will be held on **Friday 25th October, 2019 at Marriott Hotel (Crystal Ball Room), Karachi at 3:00 PM** to transact the following business:-

1. To confirm the Minutes of the 65th Annual General Meeting held on 26th October, 2018.
2. To receive, consider and adopt the Audited Accounts, Auditors' Report and the Annual Report for the year ended 30th June, 2019.
3. To appoint Auditors for the year ended 30th June, 2020 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

Fasihul Karim Siddiqi
Secretary General

Encl. as above



EMPLOYERS' FEDERATION OF PAKISTAN **MINUTES OF THE 65TH ANNUAL GENERAL MEETING [AGM] 2018**

The 65th Annual General Meeting of the Employers' Federation of Pakistan (EFP) for the year ended 30th June, 2018 was held on Friday, 26th October, 2018 at Avari Towers, Karachi.

- The quorum being present, the President of EFP, Mr. Majyd Aziz called the meeting to order.
- The meeting started with recitation from Holy Quran by Mr. Hanif Sattar.
- The President, Mr. Majyd Aziz, started the meeting by welcoming the members to the meeting and thanking them for their active participation in various activities of the Federation throughout the year. Thereafter, the Chair took up the agenda items at seriatim.

Agenda Item No. 1: To Confirm the Minutes of the 64th Annual General Meeting held on 19th October, 2017.

The minutes of the 64th Annual General Meeting held on 19th October, 2017 were placed before the meeting. The meeting was informed that no comment has been received on the minutes. Thereafter, Mr. Tariq Jamil of Attock Cement proposed and Col. (R) Baseer Khan of Lucky Textile Mills seconded the proposal to approve the Minutes. Accordingly, the minutes were unanimously approved.

Agenda Item No. 2: To Receive, Consider and Adopt the Audited Accounts, Auditors' Report and the Annual Report for the year ended 30th June, 2018.

Mr. Hanif Sattar, Chairperson EFP Sub-Committee on Finance and Taxes and Board Director, explained the salient features of the Annual Accounts by mentioning that there was 42% increase in revenue and 25% increase in expenses as compared to preceding year, the balance sheet size increased from Rs. 10 Million to Rs. 17 Million, surplus increased from Rs. 4 Million to Rs. 7 Million. He mentioned that finances were in good hands.

He further stated that, the Auditors Report is comprehensive and confirms adherence to national and international standards. He informed the meeting about the key matter relating to claim of Rs. 23 Million by EFP's landlord which has been challenged in the Sindh High Court and according to the lawyers there is fair chance of success in the case.

He also informed that the EFP Admin Committee has been reconstituted for monitoring EFP Activities. Mr. U R Usmani congratulated the Finance Team for bringing EFP out of red and expressed the hope that efforts to improve EFP's financial position through its activities will continue on sustainable basis.

Since no other observation was made by the members, Col. (R) Baseer Khan of Lucky Textile Mills proposed that the Audited Accounts along with the Auditors' Report and Directors' Report for the year ended 30th June, 2018 be adopted which proposal was seconded by Mr. U R Usmani of Consult Usmani.

Accordingly, the Audited Accounts along with Auditors' Report and the Directors' Report for the year ended 30th June 2018 were unanimously approved.

Agenda Item No. 3: To Appoint Auditors for the Year Ended 30th June, 2019 and to Fix Their Remuneration.

The meeting was informed that M/S Hyder Bhimji & Co., Chartered Accountants, offered themselves for reappointment as auditors for the year ended 30th June, 2019 on the same remuneration.



EMPLOYERS' FEDERATION OF PAKISTAN

THE ONLY MEMBER OF INTERNATIONAL ORGANIZATION OF EMPLOYERS, GENEVA, A CONSTITUENT OF INTERNATIONAL LABOUR ORGANIZATION, MEMBER OF COMMONWEALTH ENTERPRISE AND INVESTMENT COUNCIL, CONFEDERATION OF ASIA - PACIFIC EMPLOYERS & SOUTH ASIAN FORUM OF EMPLOYERS

2nd Floor, State Life Building No 2,
Wallace Road, Off. I.I. Chundrigar
Road, Karachi-74000
+92-21-3246-3790, 92-21-3241-1551
+92-21-3243-9347
info@efp.org.pk ; www.efp.org.pk

It was proposed by Mr. Tariq Jamil of Attock Cement to approve the appointment of M/s Hyder Bhimji & Co., for the year ended 30th June 2019, which proposal was seconded by Mr. Rahimullah Shah of Atlas Honda. The appointment of M/S Hyder Bhimji & Co. as auditors for the year ended 30th June, 2019 was, therefore, unanimously approved.

Agenda Item No. 4: To Transact any other business with the permission of the Chair.

The following items were brought for consideration: -

1. It was proposed by Secretary General that Members, while paying their Annual Subscription, were deducting income tax from the invoiced amount. Since the amount of Annual Subscription is already very low, the further deduction of the income tax amount was adversely affecting the revenue of the Federation. It was proposed that the Annual Subscription payable by the member companies were net of tax and that with effect from current financial year, the Annual Membership invoices raised by EFP will indicate the payable amount in the invoice as net of tax. If the companies so desires, the amount of tax will be included in the invoiced amount so that the payment received by EFP on account of Subscription is the due amount net of tax. The proposal was thoroughly discussed and was finally approved unanimously and hence adopted.
2. The meeting was informed about the formation of All Pakistan Federation of Industries (APFI) at the initiative of Employers' Federation of Pakistan which has been formed initially with the membership comprising of EFP and nine other Chambers and Industrial Town Associations. The APFI has been registered as a Trade Union of employers under the Industrial Relations Act 2012 with the National Industrial Relations Commission (NIRC). APFI will be available as a forum to employers to represent them in the Courts without companies necessarily being parties to the case. Besides the Federation, APFI will be able to coordinate with the Government, Workers and Stakeholders in promoting better industrial relations and industrial peace. The AGM's approval was sought to the initiative and the meeting unanimously approved the initiative.
3. A Resolution was placed by Mr Shahid Ghazanfar of Dollar Industrial and Mr Mahboob Alam of Phoenix Armour recording appreciation of the meeting for the members of the Board, the EFP Team and the EFP Lawyers for their outstanding efforts for improving the performance of EFP during the financial year ended 30th June 2018 which was unanimously approved.

There being no other business for transaction, Mr Khawaja Muhammad Nauman was requested to offer a vote of thanks. Mr. Khawaja Muhammad Nauman, Former President, EFP Board Members and Co-Chairperson thanked the President, the Vice President, the Board Members and the members present for their active participation in improving the performance of EFP and also thanked them for their presence in the meeting.

The meeting was adjourned with a vote of thanks to the Chair.

Majyd Aziz
President

EMPLOYER'S FEDERATION OF PAKISTAN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2019

To the members of Employers' Federation of Pakistan

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Employers' Federation of Pakistan, ("the Company") which comprise of the statement of financial position as at June 30, 2019, and the income and expenditure statement and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the income or expenditure statement and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the surplus and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw your attention to note 13 of the annexed financial statements relating to litigation in respect of claim of increase in rent for past years. EFP is subjected to litigation bearing reference C.P No. 2812/2017 and dated 19-12-2017 before the Honorable Sindh High Court against differential office rent claimed by State Life Insurance Corporation of Pakistan (landlord) in respect of office premises of EFP. The differential claimed rent amounts to Rs. 26,343,885 with effect from October 1995 till June 2019 at the rate of 10% p.a. under "Sindh Rented Premises Ordinance, 1979". The ultimate outcome of the case is based on court's verdict. Our opinion is not qualified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in for *Director's Report*, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- W

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate, where necessary, with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the income and expenditure statement and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Hanif Razzak.

Karachi: 24 SEP 2019


Kreston Hyder Bhimji & Co
Chartered Accountants

W

EMPLOYERS' FEDERATION OF PAKISTAN
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	Jun-19 Rupees	Jun-18 Rupees
<u>NON-CURRENT ASSETS</u>			
Property, Plant and Equipment	5	2,742,745	3,047,495
Long Term Loan to Related Party	6	-	-
		2,742,745	3,047,495
<u>CURRENT ASSETS</u>			
Account Receivable	7	3,220,902	2,176,449
Short Term Investments	8	10,900,919	9,089,037
Accrued Income on short term investments		-	174,315
Cash & Bank Balances	9	2,136,200	3,204,239
		16,258,021	14,644,040
		19,000,766	17,691,535
<u>FUNDS & LIABILITIES</u>			
Capital Fund	10	14,301,207	13,977,927
Deferred Income	11	1,466,115	1,678,621
<u>CURRENT LIABILITIES</u>			
Trade & Other Payables	12	3,020,938	1,401,583
Current portion of deferred income		212,507	260,551
Provision for taxation - net of payments		-	372,853
		3,233,445	2,034,987
Contingencies and Commitments	13	-	-
		19,000,766	17,691,535

The annexed notes 1 to 22 form an integral part of the financial statements. *M*

Majid Aziz

CHIEF EXECUTIVE

Asim

DIRECTOR

**EMPLOYERS' FEDERATION OF PAKISTAN
INCOME & EXPENDITURE STATEMENT
AND OTHER COMPHREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	Jun-19 Rupees	Jun-18 Rupees
Net Income from subscriptions and other activities	14	14,837,745	19,584,025
Less: General Expenditure	15	13,348,701 1,489,044	12,560,967 7,023,058
Less: Other Operating Expenses	16	140,841	-
Add: Other Income	17	517,551	349,685
Surplus Before Taxation		1,865,754	7,372,743
Less: Provision for Taxation Current & Prior year		1,542,474	1,890,536
Surplus transferred to Capital Fund		323,280	5,482,207
Comprehensive income:			
Other comprehensive income		-	-
Surplus transferred to Capital Fund		323,280	5,482,207

The annexed notes 1 to 22 form an integral part of the financial statements. W



CHIEF EXECUTIVE



DIRECTOR

EMPLOYERS' FEDERATION OF PAKISTAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Jun-19 Rupees	Jun-18 Rupees
Surplus for the year	1,865,754	7,372,743
<i>Adjustment for non cash items:</i>		
Unrealized loss / (gain) on mutual fund	99,081	(89,037)
Deferred income	(260,551)	(86,333)
Depreciation	304,749	432,995
	143,279	257,625
	<u>2,009,033</u>	<u>7,630,368</u>
Cash Flows from Operating Activities		
Changes in Working Capital		
(Increase)/decrease in current assets		
Accrued Income	174,315	(123,630)
Account Receivable	(1,044,453)	(420,504)
	(870,138)	(544,134)
Increase/(decrease) in current liabilities		
Trade & Other Payables	1,619,355	(206,838)
	<u>1,619,355</u>	<u>(206,838)</u>
Income tax Paid	(1,915,327)	(1,517,682)
Net cash flows from operating activities	<u>842,924</u>	<u>5,361,714</u>
Cash Flows from Investing Activities		
Encashment of COI - Short term investment	-	4,000,000
Investment in Mutual Fund - Short term investment	(1,910,963)	(9,000,000)
Deferred income - net	-	2,025,505
Additions to Property, Plant & Equipment	-	(2,206,077)
Net cash flows from investing activities	<u>(1,910,963)</u>	<u>(5,180,572)</u>
Net (decrease) / increase in cash & cash equivalents	<u>(1,068,039)</u>	<u>181,142</u>
Cash and cash equivalents at the beginning of the year	3,204,239	3,023,097
Cash and cash equivalents at the end of the year	<u><u>2,136,200</u></u>	<u><u>3,204,239</u></u>

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


CHIEF EXECUTIVE



**EMPLOYERS' FEDERATION OF PAKISTAN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019**

	Capital Fund	Total
	----- <i>Rupees</i> -----	
Balance as at July 01, 2017	8,495,720	8,495,720
Surplus for the year ended June 30, 2018	5,482,207	5,482,207
Balance as at June 30, 2018	13,977,927	13,977,927
Surplus for the year ended June 30, 2019	323,280	323,280
Balance as at June 30, 2019	14,301,207	14,301,207

The annexed notes 1 to 22 form an integral part of the financial statements. W


CHIEF EXECUTIVE


DIRECTOR

EMPLOYERS' FEDERATION OF PAKISTAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS & OPERATIONS:

The Employers' Federation of Pakistan (the Federation) was incorporated on 17 May, 1950 as Non Profit Company (under repealed Companies Act 1913) (section 42 of the repealed Companies Ordinance, 1984) now Companies Act, 2017. The main Objectives of the Federation are to promote, foster, encourage, protect and advance the interest of employers in trade, commerce, transportation (Whether by land, sea or air) industries and manufacturing business in Pakistan.

2 STATEMENT OF COMPLIENCE:

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that became effective during the year

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2018 except IFRS-9, which are considered not to be relevant or do not have any significant effect on the Federation's financial statements and are therefore not stated in these financial statements

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards that have been published that are mandatory to the Federation's accounting period beginning on or after the dates mentioned below:

- IAS 1 Presentation of Financial Statements & Accounting Policies, Changes in Accounting Estimates and Error - Amendments regarding the definition of material (Effective for annual periods beginning on or after 1 January 2020)

The IASB issued Definition of Material (Amendments to IAS 1 and IAS 8) in October 2018 to clarify and align the definition of material. The new definition states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial state. Although the amendments to the definition of material will not have a significant impact on an entity's financial statements.

W

- IAS 19 'Employee Benefits' amendments in Plan Amendment, Curtailment or Settlement (Effective for annual periods beginning on or after 1 January 2019)

The amendments in Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) are:

-If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.

- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or

- IAS 28 'Investments in Associates and Joint Ventures' (Effective for annual periods beginning on or after 1 January 2019)

The amendments in Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) are:

-Paragraph 14A has been added to clarify that an entity applies IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

-Paragraph 41 has been deleted because the IFRS Board felt that it merely reiterated requirements in IFRS 9 and had created confusion about the accounting for long-term interests. The amendment is not relevant to the Federation's financial statements.

- IFRS 3 Business Combinations Amendments to clarify the definition of a business (Effective for annual periods beginning on or after 1 January 2020)

The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The amendment is not relevant to the Federation's financial statements..

- Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019).

For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion - i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The amendments are unlikely to have any material impact on the Federation's financial statements.

u

- IFRS 16 'Leases' (Effective for annual periods beginning on or after 1 January 2019)

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Federation has yet to assess the full impact of this standard on its financial statements.

- IFRIC 23 'the Accounting for uncertainties in income taxes' (Effective for annual periods beginning on or after 1 January 2019)

This Amendment clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. This IFRIC is not likely to have a material impact on Federation's financial statements.

- Amendments to references to Conceptual Framework for Financial Reporting

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

- Annual improvements to IFRS standards 2015-2017 cycle. The new cycle of improvements addresses improvements to following approved accounting standards:
- IAS 12 - Income Taxes (Effective for annual periods beginning on or after 1 January 2019)
This amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. The amendments are not likely to have material impact on the Federation's financial statements.

W

- IAS 23 - Borrowing Costs (Effective for annual periods beginning on or after 1 January 2019)
The amendment clarifies that the general borrowings pool used to calculate eligible borrowing costs exclude only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale or any non-qualifying assets are included in that general pool. The amendments are not likely to have material impact on the Federation's financial statements.
- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement -
The amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business. The amendments are not likely to have material impact on the Federation's financial statements.
- New Standards issued by IASB but not yet been notified by SECP

International Financial Reporting Standards (IFRSs)	IASB effective date annual periods beginning on or after
IFRS 1 - First Time Adoption of IFRS	January 1, 2004
IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 17 - Insurance Contracts	January 1, 2021

- **IFRS 9 - Financial Instruments**

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from 01 July 2018 resulted in changes in titles of classification and presentation of the financial instruments and related accounting policies which are set out in respective notes.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The Federation's management while making assessment related to classification of the financial instruments has considered business model within which a financial asset is held, management's intentions with respect to collection of cash flows and trading of the financial instruments and accordingly the management has classified its financial instruments into the appropriate IFRS 9 categories. The following table below explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Federation's financial assets as at 01 July 2018.

W

Financial Instruments	Original classification under IAS 39	New classification under IFRS 9	Carrying amount under IAS 39	Carrying amount under IFRS 9
Financial Assets				
Account Receivable	Loans and receivables	Amortised cost	2,176,449	2,176,449
Short Term Investments				
- Mutual Fund	FVTPL	FVTPL	9,089,037	9,089,037
Accrued income on short term investments	Loans and receivables	Amortised cost	174,315	174,315
Cash and bank balances	Loans and receivables	Amortised cost	3,204,239	3,204,239
			<u>14,644,040</u>	<u>14,644,040</u>

Retrospective application of changes in classification of financial assets due to adoption of IFRS 9 has no change in original carrying amounts of financial assets of the Federation as there is no material impact due to change in measurement and classification categories. The adoption of IFRS 9 did not have a significant effect on the Federation's accounting policies related to financial assets and liabilities.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The Company has determined that the application of IFRS 9's impairment requirement at 01 July 2018 results in no additional allowance for trade receivables.

4 **SIGNIFICANT ACCOUNTING POLICIES:**

4.1 **Basis of Preparation:**

These accounts have been prepared on the basis of historical cost convention.

4.2 **Property, plant & equipment:**

These are stated at cost less accumulated depreciation. Depreciation is charged on reducing balance method. Depreciation on additions is charged from the period the asset is available for use upto the period prior to disposal. Maintenance and normal repairs are charged to Income and Expenditure account as and when incurred. Gain or Loss on disposal of assets is taken to income.

4.3 **Receivables:**

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss

4.4 **Financial Assets**

Initial Measurement

The Company classifies its financial assets in to following three categories: -

- fair value through other comprehensive income (FVOCI); -
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

W

Subsequent Measurement

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in income or expenditure

Financial assets measured at amortised cost These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the income or expenditure statement.

4.5 Investments:

Investment in Units of Mutual Funds are classified as fair value through profit or loss and is initially measured at fair value and subsequently is measured at fair value determined using the net assets value of the funds at each reporting date. Net gains and losses are recognized in the income & expenditure statement.

4.6 Staff Retirement Benefits:

The Federation operated an funded gratuity scheme for eligible employees. However, all the employees, who were covered under the funded gratuity scheme have left their employment. Since, there is no permanent employee currently employed in the Federation entitled to benefit under the funded gratuity scheme, Board of Directors of Federation has decided to discontinue the gratuity scheme.

4.7 Trade & other Payables:

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any and subsequently measured at amortized cost

4.8 Revenue Recognition:

Returns on investments and deposit accounts are recorded on accrual basis.

Subscription, courses, seminars, sale of publication, advertisements and advisory service are accrued upon completion of performance.

4.9 Taxation:

The charge for the current taxation is computed in accordance with the provision of the Income Tax Ordinance after considering admissible tax credits and rebates, If any, or tax computed under the minimum tax regime in accordance with the Income Tax Ordinance, 2001, whichever is higher. The Federation's deferred tax does not arise as its income is subject to minimum tax, hence no timing difference arises as a result thereof.

4.10 Provision:

Provisions are recognized in the statement of financial position, when the Federation has a present legal or constructive obligation as a result of a past event. Also if it is probable that an outflow of economic benefits will be required to settle that obligation and a reliable estimate of the amount can be made.

U

4.11 Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicated that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Federation considers evidence of impairment for receivable and other financial assets at specific asset level. Losses are recognized as an expense in the Income and Expenditure Statement. When a subsequent event causes the amount of impairment loss to decrease, this reduction is reversed through the Income and Expenditure account.

Non Financial Assets

The carrying amount of the Federation's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset may be impaired. If any such evidence exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized in the income & expenditure statement.

BU

Property, Plant & Equipment:

Particulars	C o s t			Accumulated Depreciation			N.B. V as at Jun 30, 2019	Rate
	1-Jul-18	Addition	30-Jun-19	1-Jul-18	Depreciation for the Year	30-Jun-19		
Furniture & Fixture	959,529	-	959,529	339,474	62,005	401,480	558,049	10%
Office Equipment	3,834,020	-	3,834,020	1,965,594	186,843	2,152,437	1,681,583	10%
Computers	701,890	-	701,890	142,876	55,901	198,777	503,113	10%
	5,495,439	-	5,495,439	2,447,944	304,749	2,752,694	2,742,745	

Furniture & Fixture, Office Equipment and Computers amounting to Rs. 226,792. Rs. 1,460,595 and Rs. 518,690 respectively have been granted by the International Labour Organization under the scheme for office renovation. Net book value of Furniture & Fixture, Office Equipment and Computers amounting to Rs. 197,309. Rs. 1,287,205 and Rs. 194,107 (2018: Rs. 219,232. Rs. 1,430,228 and Rs. 289,712) respectively.

Property, Plant & Equipment:

Particulars	C o s t			Accumulated Depreciation			N.B. V as at Jun 30, 2018	Rate
	1-Jul-17	Addition	30-Jun-18	1-Jul-17	Depreciation for the Year	30-Jun-18		
Furniture & Fixture	732,737	226,792	959,529	287,379	52,096	339,474	620,055	10%
Office Equipment	2,373,425	1,460,595	3,834,020	1,706,450	259,144	1,965,594	1,868,426	10%
Computers	183,200	518,690	701,890	21,120	121,756	142,876	559,014	33%
	3,289,362	2,206,077	5,495,439	2,014,949	432,995	2,447,944	3,047,495	

-----Rupees-----

M

	Note	Jun-19 Rupees	Jun-18 Rupees
6			
<u>LONG TERM LOAN TO RELATED PARTY</u>			
<u>Un-secured considered good:</u>			
This represent interest free loan to related party			
M/s. Employers' Federation of Pakistan Trust	6.1	4,265,347	4,265,347
Provision for Long Term Loan to Related Party		(4,265,347)	(4,265,347)
		-	-

6.1 The Federation had extended an interest free loan to the "Employers Federation of Pakistan Trust" (being a related party of the Federation) few years back. The amount was utilized for the purpose of meeting the expenditure of occupancy value, non-utilization fee and construction of boundary wall for the building project etc. The land for the building project was allotted by the Karachi Development Authority (via allotment order # ST-25-A/ B, 2/Such: 5/ATC/87/1267 dated 26-09-1987) and is situated at plot # ST-25-A, Block 2, Clifton, Karachi admeasuring 2,166.66 Square yards. In respect of the same, the Federation had also executed a general power of attorney in favour of "Employers Federation of Pakistan Trust" which is registered vide M.F. number roll 460 B-IV dated February 25, 1997. However, the construction of the building project could not commence/complete due to inadequacy of funds. The Federation's governing board had granted the aforementioned trust a general power of attorney to carry on the building construction project on its behalf. Accordingly, the Trust had carried out the construction of a basement on the plot of land and as the available fund exhausted therefore, the construction work had to be stopped. The fair value of the plot of land would be estimated at a much higher amount as compared to the abovementioned loan amounting to Rs. 4.265 million. The management has decided to provide the same in full as an abundant precaution.

7 **ACCOUNT RECEIVABLE**

Considered good.

This represents amount receivable from International Labour Organization and Members Organization on account of the following.

International Labour Organization		2,417,582	1,460,891
Member Organizations		803,320	715,558
	7.1	3,220,902	2,176,449

7.1 **Details are as follows:**

Employer of the Year Award		465,915	300,000
Seminar, Conference, Project, Foreign Training		360,945	40,517
Foreign Training		250,000	-
HRM Conference		-	500
Local and EOSH Training		12,000	368,000
Travelling		722,630	444,682
OSH Award		1,409,412	1,022,750
		3,220,902	2,176,449

W

	Note	Jun-19 Rupees	Jun-18 Rupees
8			
<u>SHORT TERM INVESTMENTS:</u>			
<u>At fair value through income or expenditure</u>			
Investment in Mutual Fund	8.1	10,900,919	9,089,037
		<u>10,900,919</u>	<u>9,089,037</u>
8.1 Investment in Mutual Fund:			
Al-Meezan Investment Management Ltd			
Purchase Cost of units 588,609.2608		-	9,000,000
Add: Remeasurement gain		-	89,037
		-	9,089,037
HBL Asset Management Limited			
Purchase Cost of units 109,229.3953		11,000,000	-
Add: Remeasurement gain		(99,081)	-
		10,900,919	-
		<u>10,900,919</u>	<u>9,089,037</u>
9			
<u>CASH & BANK BALANCE</u>			
Cash in hand		1,910	856
<u>Cash at Bank:</u>			
In Current Accounts		2,134,290	3,203,383
		2,134,290	3,203,383
		<u>2,136,200</u>	<u>3,204,239</u>
10			
<u>CAPITAL FUND</u>			
Opening Balance		13,977,927	8,495,720
Surplus for the year		323,280	5,482,207
		<u>14,301,207</u>	<u>13,977,927</u>
11			
<u>DEFERRED INCOME</u>			
Balance at July 01		1,939,172	-
Grant received during the year		-	2,025,505
Less: Transferred during the year		(260,551)	(86,333)
Transferred from deferred income		1,678,621	1,939,172
Current portion of deferred income		(212,507)	(260,551)
Balance at June 30		<u>1,466,115</u>	<u>1,678,621</u>

W

The Company has received a grant amounting to Rs. 2,025,505 from International Labour Organization , during the year 2018 for the purchase of Office equipment, Furniture & Fixture and Computers of the Federation and has recognized the same as deferred income up to the extent of the amount utilized for scheme. The deferred income is realized in the Profit and Loss account which equals to the depreciation charge pertaining to the related assets for the year.

	Note	Jun-19 Rupees	Jun-18 Rupees
12 TRADE & OTHER PAYABLES			
Accrued expenses		660,414	978,838
Payable to IOE subscription		1,223,868	-
Payable for Seminars/ Conference/ Projects Accounts		1,136,656	422,745
		3,020,938	1,401,583
13 CONTIGENCIES AND COMMITMENTS			
EFP has been subjected to litigation is C.P No. 2812/2017 before the Honorable Sindh High Court against differential office rent claimed by State Life Insurance Corporation of Pakistan (landlord) in respect of office premises of EFP. The differential claimed amounting to Rs. 26,343,885 with effect from October 1995 till June 2019 at the rate of 10% p.a. under sindh rented premises ordinance 1979. No provision has been recorded as in view of legal advisor contesting the matter confirmed vide letter dated August 26, 2019 that there is no risk of any loss in these cases.			
14 NET INCOME FROM SUBSCRIPTION AND OTHER ACTIVITIES			
Income:			
Subscription from Members		6,228,510	6,108,461
		6,228,510	6,108,461
Surplus on Members dealing:			
Entrance Fee		117,000	183,000
Course Participation Fee:			
Foreign Training Course Fee	14.1	1,128,563	1,211,702
Local Training Course Fee	14.2	359,395	1,069,371
Publications (Diaries & Books)	14.3	(38,006)	-
		1,566,952	2,464,073
Income from dealing with members		7,795,462	8,572,534
Surplus on other activities:			
Seminars-Conference & Project	14.4	1,318,333	2,746,606
Advisory Services	14.5	1,912,185	4,991,051
Employer of the year Awards	14.6	2,341,889	2,109,003
Occupational Safety & Health Awards	14.7	1,469,876	1,164,831
		7,042,283	11,011,491
		14,837,745	19,584,025

V

	Note	Jun-19 Rupees	Jun-18 Rupees
14.1 <u>Foreign Training Course Fee</u>			
Course fees		1,341,842	1,463,500
Related course expenses		(213,279)	(251,798)
Surplus		<u>1,128,563</u>	<u>1,211,702</u>
14.2 <u>Local Training Course Fee</u>			
Income		1,628,186	3,159,527
Directly attributable expenses		(1,268,791)	(2,090,156)
Surplus		<u>359,395</u>	<u>1,069,371</u>
14.3 <u>Miscellaneous Publications (Diaries & Books)</u>			
Income		-	-
Directly attributable publication expenses		(38,006)	-
Surplus		<u>(38,006)</u>	<u>-</u>
14.4 <u>Income from Seminars-Conference</u>			
Seminar participation fees		12,392,340	7,834,299
Related seminar expenses		(11,074,007)	(5,087,693)
Surplus		<u>1,318,333</u>	<u>2,746,606</u>
14.5 <u>Income from Advisory Services</u>			
Advisory services income		4,684,330	15,790,543
Related advisory service expenses		(2,772,145)	(10,799,492)
Surplus		<u>1,912,185</u>	<u>4,991,051</u>
14.6 <u>Employer of the year Award</u>			
Participation Fee		3,232,784	3,393,000
Event Expenses		(890,895)	(1,283,997)
Surplus		<u>2,341,889</u>	<u>2,109,003</u>
14.7 <u>Occupational Safety & Health Award</u>			
Participation Fee		2,885,506	2,181,446
Event Expenses		(1,415,630)	(1,016,615)
Surplus		<u>1,469,876</u>	<u>1,164,831</u>

W

	Note	Jun-19 Rupees	Jun-18 Rupees
15 GENERAL EXPENDITURE			
Salaries, Wages & Benefits		4,574,390	4,498,145
Secretary General Remuneration		2,753,284	2,448,077
Subscription to IOE & CAPE		2,407,106	1,743,193
Printing & Stationery		304,422	421,038
Conveyance Expenses		99,338	143,303
Entertainment		60,531	148,658
Office Expenses		305,612	238,610
Telephone Charges		205,958	203,303
Office Rent		421,440	421,440
Repairs & Maintenance		137,200	245,473
Electricity Charges		381,484	341,282
Bank Charges		223,449	191,010
Auditors' Remuneration	15.1	94,330	94,330
Travelling		725,966	371,366
Depreciation	5	304,749	432,995
Courier Charges		64,140	86,381
AGM Expenses		50,909	215,000
Website Expenses		69,297	36,088
Professional fees and charges		12,875	11,050
Account Receivable Written off		-	13,580
Miscellaneous Expenses		152,221	256,645
		13,348,701	12,560,967
15.1 AUDITOR'S REMUNERATION			
Audit fee		57,250	57,250
Tax compliance services		10,000	10,000
Sindh Sales tax on services		4,580	4,580
Out of Pocket reimbursement		22,500	22,500
		94,330	94,330
16 OTHER OPERATING EXPENSES			
Loss on mutual fund encashment		41,760	-
Un realized loss on mutual fund		99,081	-
		140,841	-
17 OTHER INCOME			
Income from short term Investments - TDR		-	174,315
Deferred income		260,551	86,333
Un realized gain on mutual fund		-	89,037
Liabilities written back		257,000	-
		517,551	349,685

M

18 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

17.1 Financial assets and liabilities

	Effective Yield/ Mark Up Rate	Interest / Mark up Bearing			Non Interest / Mark up Bearing		As at June 30
		Maturity Up to One Year	Maturity One to Five Years	Maturity after Five Years	Maturity Up to One Year	Maturity after One Years	
30-Jun-19							
FINANCIAL ASSETS							
Account Receivable	-	-	-	-	3,220,902	-	3,220,902
Short Term Investments	6.25%	10,900,919	-	10,900,919	-	-	10,900,919
Accrued Income	-	-	-	-	2,134,290	-	2,134,290
Bank Balances	-	10,900,919	-	10,900,919	5,355,192	5,355,192	16,256,111
30-Jun-18							
FINANCIAL LIABILITIES							
Trade and Other Payables	-	-	-	-	3,020,938	-	3,020,938
FINANCIAL ASSETS							
Account Receivable	-	-	-	-	2,176,449	-	2,176,449
Short Term Investments	-	9,089,037	-	9,089,037	-	-	9,089,037
Accrued Income	-	-	-	-	174,315	-	174,315
Bank Balances	-	9,089,037	-	9,089,037	3,203,383	3,203,383	3,203,383
FINANCIAL LIABILITIES							
Trade and Other Payables	-	-	-	-	1,401,583	-	1,401,583

W

18.2 Financial risk management

The Governing Board of the Federation has an overall responsibility for the establishment and oversight of the its risk management framework. The Federation has an exposure to the following risks from its use of financial instruments:

- a Credit risk
- b Liquidity risk
- c Market risk

a CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The Federation's credit risk is primarily attributable to its loans and balances with banks . The carrying amount of financial assets, in note 15.1 , represents the maximum credit exposure. The Federation manages the credit risk in respect of each significant asset as follows:

(i) Balances with Bank

The Federation limits its exposure to credit risk by maintaining bank accounts only with counter-parties that have stable credit rating. Federation's management actively monitors credit ratings and give the high credit ratings, management does not expect that the counter party will fail to meet their obligations.

b LIQUIDITY RISK

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments.

The management forecasts the liquidity of the Federation on the basis of expected cash flows considering the level of liquid assets necessary to meet such risk. Based on this the management maintains such amounts of cash and balances at bank that are sufficient to fulfil its financial liabilities within their due dates and to meet its current and expected operational requirements.

The management believes that it is not exposed to any significant level of liquidity risk.

Financial liabilities in accordance with their contractual maturities are presented in note 17.1.

c MARKET RISK

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

(i) Interest/ Markup Rate Risk

Interest / mark-up rate risk arises from the possibility that changes in market interest / mark-up rates will affect the value of financial instruments. The carrying value of the financial instruments, whose cash flows may be affected by future changes in interest rates, is given the schedule of Financial Assets and Liabilities, i.e., in note 17.1. The Federation is not exposed to significant of any such interest/markup risk.

W

(ii) **Foreign Exchange Risk**

Foreign Exchange Risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in foreign exchange rates. Foreign Exchange Risk arises mainly from future economic transactions or receivables and payables that exist due to transactions in foreign currencies. The Federation is not exposed to any foreign exchange risk.

(iii) **Other / Equity price risks**

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At reporting date if the share price of mutual fund investment at fair value through profit or loss had strengthened/weakened by 10% with all other variables held constant, pre tax profit for the year would have been higher/lower by the amount shown below.

	2019	2018
	Rupees	
Effect on profit or loss account and investment	<u>1,090,092</u>	<u>908,904</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/liabilities of the Company.

18.3 **FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation's certain accounting policies and disclosure requires use of fair value measurement and the Foundation while assessing fair value maximize the use of relevant of observable inputs and minimize the use of unobservable inputs establishing a fair value hierarchy, i.e., input used in fair value measurement is categorized into following three levels;

- Level 1: Level 1 inputs are the quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.
- Level 2: Level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Level 3 inputs are unobservable inputs for the asset or liability.

As at balance sheet the fair value of all the financial assets and liabilities approximates to their carrying values except property, plant and equipment. The property plant and equipment is carried at cost. The Federation investment in mutual fund in level 1 and does not expect that unobservable inputs may have significant effect on fair values.

19 **NUMBER OF EMPLOYEES**

Number of employee at year end were 9 excluding casual staff of 3 (2018: 9 and 3)

20 **TRANSACTION WITH RELATED PARTIES**

The following transactions were carried out with related parties during the year.

Relationship with Federation	Nature of Transaction	2019	2018
		Rupees	
Related Parties being members of the Federation	Membership Subscription	212,600	212,600
	Advisory Service	115,000	330,001
	Foreign Training	4,500	384,000
	Employer of the Year Award	645,000	645,000
	Seminar, Conference, Project	1,289,021	437,495
	Training Local	70,521	121,000
	OSH Award	618,478	575,000

Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

Name of Company	Basis of Association
Iqbal Silk Mills (Pvt.) Ltd.	Common Member / Employee Member
EPLA Laboratories (Pvt.) Ltd.	Common Director / Member
Amjad Ahsan Info Tech (Pvt.) Ltd.	Common Director / Member
Otsuka Pakistan Ltd.	Common Director / Member
Barrett Hodgson Pakistan (Pvt.) Ltd.	Common Director / Member
English Biscuit Manufacturers (Pvt.) Ltd.	Common Director / Member
Sitara Chemical Industries Limited	Common Director / Member
Pak-Arab Refinery Limited (PARCO)	Common Director / Member
Ashraf Industries (Pvt.) Ltd.	Common Director / Member
Hotel Crown Plaza	Common Director / Member
The Searle Company Limited	Common Director / Member
Magnum Management Solutions (Pvt.) Ltd.	Common Director / Member
Recorder Television Network (Pvt.) Ltd.	Common Director / Member
Qasim International Container Terminal Limited	Common Director / Member
Aspin Pharma (Pvt.) Ltd.	Common Director / Member
Skill Development Council	Common Director / Member
International Industries Limited	Common Director / Member
Seri Sugar Mills Limited	Common Director / Member
Lasbella Chamber of Commerce and Industry	Common Director / Member
Phedra Industries (Pvt) Ltd.	Common Director / Member

U

The Federation deals with its members and employees and aggregate transactions made are disclosed in note 14 & 15.

21 DATE OF AUTHORIZATION FOR ISSUE

These Financial Statements have been approved on 24 SEP 2010 by
the Governing Board of the Federation.

22 GENERAL

Figures have been rounded off to the nearest of Rupee.



CHIEF EXECUTIVE



DIRECTOR

u



EMPLOYERS' FEDERATION OF PAKISTAN

A Company Registered under Section 42 of the Companies Ordinance, 1984

DIRECTORS' REPORT 2018-2019

PERFORMANCE REVIEW 2018-19

For the Period ended July 2018 – June 2019

It gives me pleasure to present the Annual Report of the Employers' Federation of Pakistan (EFP) on behalf of the Board of Directors together with the Audited Financial Statement of the EFP and Auditor's Report thereon for the period ended 30th June, 2019.

FINANCIAL HIGHLIGHTS:

Net Income	:	Rs.	14,837,745
Other income	:	Rs.	517,551
Expenditure	:	Rs.	(12,489,542)
Surplus for the period (before tax)	:	Rs.	1,865,754

PERFORMANCE REVIEW:

The current Board of Directors of Employers' Federation of Pakistan was elected for three years tenure from January 2017 to December 2019 which took office on 1st January, 2017. In the Board Meeting held on 24 January 2017, the EFP Growth Strategy and Strategic Action Plan 2017-19 was approved.

Considerable progress has been made in pursuing the targets set forth in the Growth Strategy 2017-19 and the overall performance of EFP has substantially improved during the period. However, during the Financial Year ended 30th June 2019, there is a decline in income by 24% as compared to Financial Year ended June 2018. This may be attributed to decline in income from advisory services, local and foreign training and expenses on account of EFP Economic Council and subscription to Commonwealth Enterprise and Investment Council (CWEIC).

Given below is the summary of the progress made in the Strategy implementation giving an insight into the overall performance of EFP in the Fiscal Year under review: -

TARGET:

- Achieving Financial Sustainability

STRATEGIES:

1. Membership Retention & Growth
2. Improving EFP Visibility
3. Engaging Members
4. Attracting Members
5. EFP Capacity Building
6. Strengthening & Developing Partnerships

FINANCIAL SUSTAINABILITY

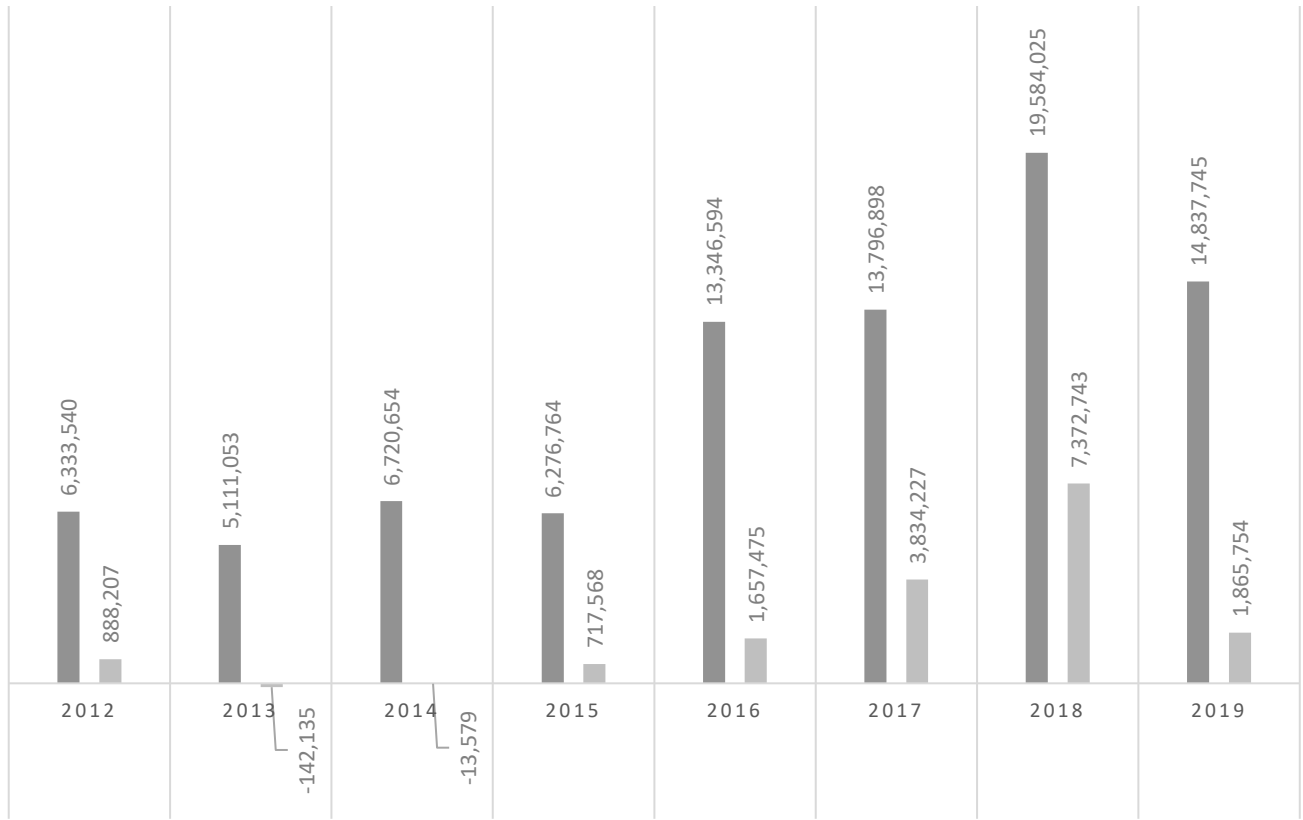
A flash view of the EFP's income and surplus account statement for the Financial Years 2012-2019 is given below: -

YEARS	AMOUNT (IN RS.)	
	INCOME (in PKR)	SURPLUS BEFORE TAX (in PKR)
2012	6,333,540	888,207
2013	5,111,053	(142,135)
2014	6,720,654	(13,579)
2015	6,276,764	717,568
2016	13,346,594	1,657,475
2017	13,796,898	3,834,227
2018	19,584,025	7,372,743
2019	14,837,745	1,865,754

A graphic representation of the income and surplus is given below:

GRAPHIC REPRESENTATION OF THE INCOME AND SURPLUS STATEMENT

■ Income (In PKR) ■ Surplus Before Tax (In PKR)



Strategy 1: Membership Retention & Growth

<u>Membership Strength 2018</u>	<u>Membership Strength 2019</u>
Membership 2018: 702 New Members Added In 2018: 78	Membership 2019: 745 New Members Added in 2019: 43 (6% increase)
Including Trade Bodies Membership: 28 New Members Added In 2018: 6	Including Trade Bodies Membership: 31 New Members Added in 2019: 3

Activities

1. The breakdown of New Members added in the fiscal year ended June 2019 is as under:

Province	Enterprise Members	Institutional Members	Total
Sindh	30	1	31
Punjab	07	-	7
Islamabad	-	02	02
KP	03	-	03
Total			43

The above figures indicate that vigorous membership campaign have to be carried on in Punjab, Islamabad, KP and Baluchistan for membership.

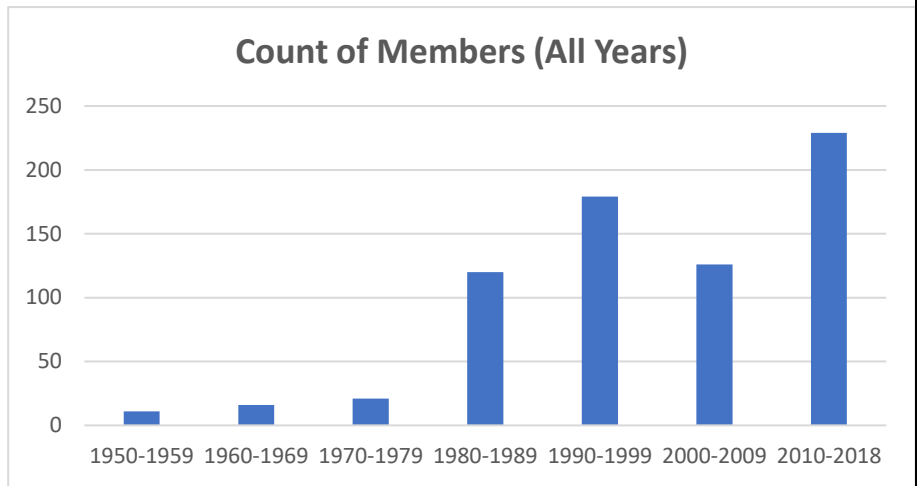
2. Membership Satisfaction Survey is planned in August – September 2019 to get feedback from members which will provide the basis for an aggressive Membership Campaign throughout the Country.

Given below is the graph showing trend of membership growth from 1950-2019.

Count of Members (All Years)

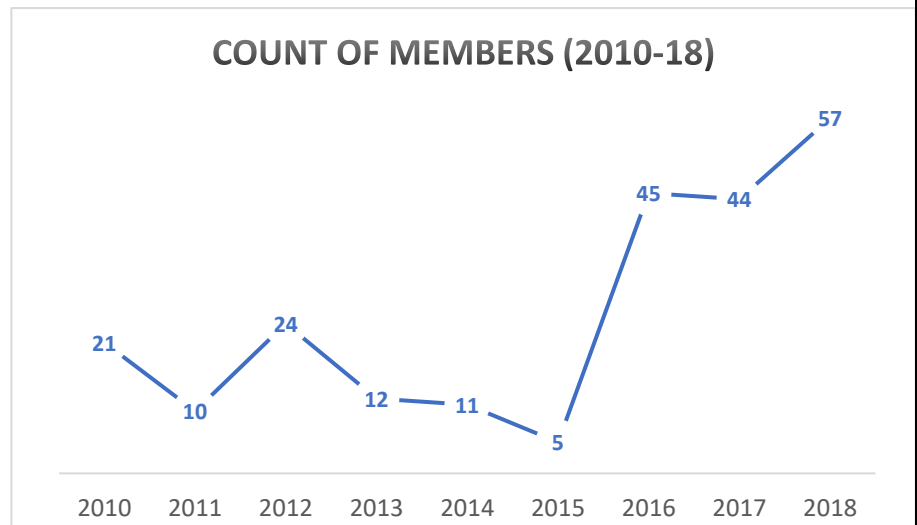
Year	Count of Members
1950-1959	11
1960-1969	16
1970-1979	21
1980-1989	120
1990-1999	179
2000-2009	126
2010-2019	272
Grand Total	745

*Up to June 2019



Count of Members (2010-19)

Year	Count of Members
2010	21
2011	10
2012	24
2013	12
2014	11
2015	5
2016	45
2017	44
2018	57
2019	43
Grand Total	272



- During the first six decades from 1950-2009, the highest membership growth took place in the decade 1990-1999 during which period total of 179 members were enrolled. This is followed by the current decade of 2010-2019 during which 272 members have been enrolled.
- The highest number of members enrolled in the last three year, i.e. 2017 (44 members), 2018 (57 members) and up to June 2019 (43 members).
- As on 30th June, 2019 our total membership stood at 745 out of which 31 members are Institutional members.
- All the seven Town Associations of Karachi have joined the membership of EFP. Efforts are being made to expand the membership of institutional members.

STRATEGY 2: IMPROVING EFP VISIBILITY

TARGET: Making EFP's presence felt among Government, Business and Civil Society

In order to improve EFP's visibility the following initiatives and activities have been undertaken:

A. PROMOTION OF PAKISTAN'S NATIONAL BUSINESS AGENDA 2018-23

Driven by Pakistan's Vision 2025, EFP prepared Pakistan's National Business Agenda (PNBA) 2018-23 with a view to: -

- a. identify problems and challenges affecting the business growth, employment, revenue generation, low productivity and other core issues,
- b. advocate a campaign for creating and enabling a favorable atmosphere for business growth providing a level playing field to business community to effectively play its part in economic development, employment generation and better brand image of business.

The PNBA containing a summary list of critical economic and social issues faced by employers and their proposed tangible solutions were printed and delivered to the Federal and Provincial Government functionaries including Provincial Governors, Chief Ministers, Federal Ministers, Heads of Political Parties, Parliamentarians, and CEOs to widely disseminate the employers voice in the circles which matter.

B. ACTIVITIES OF EFP ECONOMIC COUNCIL

As a result of the EFP's decision to improve the EFP's brand image by expanding its scope and horizon of activities beyond the conventional areas of employment and social policy, EFP Economic Council was formed comprising a team of renowned economists, and country's leading industrialists, entrepreneurs and trade representatives.

The EFP EC contributions / activities, to name few, are as below:

- a. After an intensive research of global economic trends, EFP EC developed EFP's 'Economic Vision 2030: Objectives & Targets in Global Scenario' which prescribes the way forward to sustainable development, prosperity, and sovereignty.
- b. EFP EC obtained membership of an invaluable strategic partner "Commonwealth Enterprise and Investment Council (CWEIC) with the benefit to assist the private sector in expanding their business relationship across the Commonwealth. In this respect, EFP delegation comprising of EFP Vice President, Chairman EFP EC and EFP EC Advisor is planning to visit UK to sign a formal MOU with CWEIC for business collaboration and visit leading officials of Chambers and Trade organizations to explore the possibility of intensive business relation among Pakistan, UK and Commonwealth Countries.
- c. EFP EC facilitated the ease of Qatari visa regulations for our citizens
- d. EFP EC Chartered an MOU with the Philippines Government of over 0.32 Million tons of rice imports from Pakistan
- e. EFP EC played a crucial role in the Federal Budget and the tariff reduction proposal which was also adopted.
- f. EFP EC organized First Trade Expo in Linyi, China and established a Cell to attract Chinese Investment to facilitate increase in exports to China.

The Economic Council is committed to have a close eye on the economic and sectoral development of Pakistan and deliver research-based analysis and proposal to the Government and business so that the business perspective is clearly spelt and understood while shaping the national development plans now and in future. The EFP EC, through its functions and contributions, is expected to tremendously contribute in improving EFP's visibility and impact on national economic planning, policies and decisions.

C. OTHER ACTIVITIES:

1. Regular Monthly Business Talk Sustainability Meetings and other events were held during the Fiscal year.
2. The events included observance of International Health and Safety Day 2019, International HR Conference, Employer of the Year Award 2017. These events created immense impact and visibility among members in terms of EFP's Capacity to deliver and serve the business in new dimensions.
3. A number of consultative periodic meeting with Members were held on legal and labor issues as a result of which the members jointly approached EFP to file and fight legal cases particularly relating to Social Security, and Sales on Services Tax, etc.
4. EFP was actively involved in framing of rules for law promulgated in the Province of Sindh and in the follow up of actions for implementing the recommendations of the Sindh Labour Policy.
5. EFP has made effective representation of business in the Provincial and Federal Tripartite Standing Labor Sub-Committee and raised issues of significance concern such as centralization of Social Security, EOBI and Welfare fund legislations.
6. The President EFP actively participated and demonstrated his conspicuous and effective presence in International Labor Conference held at Geneva including his address at the Conference presenting employers' perspective on issues of future of work, decent work and other international ILO agenda impacting business nationally and globally.
7. In addition to our continued relationship with our Member Trade Bodies / Industrial Associations, EFP developed a close working relationship with the following new Trade Bodies / Industrial Associations for raising employers voice collectively: -
 - a. Islamabad Industrial Association
 - b. Islamabad Chamber of Commerce and Industry
 - c. Hyderabad Chambers of Commerce and Industry

8. The following foreign visits / training nominations were made during the Fiscal Year ended 30th June 2018.

#	Program Title	Dates	Venue	Nomination
1	20 TH International Conference of Labour Statisticians	10-19 October 2018	Geneva	Mr Majyd Aziz, President EFP
2	2nd ILO/Korea TVET Forum, 2018	19-20 November 2018	Bangkok Thailand	Mr Muhammad Feroz Alam, Director EFP Board
3	ILO - Project design: from writing a successful proposal to managing projects for staff of employers and business members organizations in the Asian region	19-23 November 2018	Bangkok Thailand	Mr Humayun Nazir, Director EFP Board & Syed Nazar Ali, Director EFP Board
4	AOTS Invitation Program for Leaders of Employers Organization-Study of Latest Japanese Labor Practices	19-23, November 2018	Tokyo, Japan	Mr Majyd Aziz, President EFP
5	CAPE-ITUC-AP Regional Dialogue on Future of Work towards Sustainable and Inclusive Asia and the Pacific	13-14 December 2018	Bangkok, Thailand	Mr Majyd Aziz, President EFP
6	AOTS Joint Study on GLOBALIZATION AND NEW TECHNOLOGIES”	21-25 January, 2019	Pho, Phnom Penh	Mr Zaki Ahmed Khan, Vice President and Mr Muhammad Feroz Alam, Director EFP Board
7	ILO Tripartite Meeting of Experts on Cross-Border Social Dialogue	12-15 February, 2019	Geneva	Mr Khalid Junejo, Director EFP Board
8	International Business and Human Rights Conference	April 1-3, 2019	Madrid, Spain	Mr Majyd Aziz, President EFP
9	Global Employers’ Young Professionals Academy	8-12, April 2019	Madrid, Spain	Ms Rabiya Anwer, Senior Executive and Principal Staff Officer
10	108 th Session of the International Labour Conference	10-21, June 2019	Geneva, Switzerland	Mr Majyd Aziz, President EFP
11	Study Tour - Development of Sustainable Public Private Partnerships	24-28 June, 2019	Germany	Mr Majyd Aziz, President, Mr Zaki Ahmed Khan, Vice President and Syed Nazar Ali, Director EFP Board

STRATEGY 3: ENGAGING MEMBERS

TARGET: Revisiting / revamping of EFP services.

A. ACTIVITIES OF IR/LEGAL CELL:

I. CONSULTANCY / ADVISORY SERVICES:

- ❖ Consultative Meetings with Member Organizations were held on issues relating to Notification of Social Security and Contract Labor issues and members were provided complete assistance in responding to demand Notices, recovery Notices, and other unlawfully motivated threatening letters from Regulatory Agencies.
- ❖ Six Sub-Committee formed by Government of Sindh for discussing issues and developing recommendations for inclusion in the Tripartite Sindh Labour Conference, continue to function effectively.

EFP was actively engaged in all the Sub-Committee and was instrumental in holding their meetings and finalizing their recommendations. In the Process of these consultations, EFP sought advices and recommendations from the Member Organizations on important labor issues.

II. LEGAL ACTIONS:

- ❖ Follow up was maintained in respect of cases filed through EFP by 300+ companies in respect of EOBI Act and SESSI. On constant follow up of these cases, the High Court of Lahore and Peshawar accepted the EFP Petitions declaring the EOBI Notification of linking the basis of contribution with minimum wages announced for ICT as nullified in their application to the Provinces of Punjab and KPK. The matter is under stay at the Sindh and Baluchistan High Courts and a final decision is awaited.

Similarly, in court cases in matter of Sales Tax and SEPA filed through EFP, stay orders have been granted by the Superior Courts and are pending for final disposal.

- ❖ Constitutional Petition filed by EFP in the matter of Social Security challenging the composition of the Governing Body and the provision of depositing 25% of the demand amount of SESSI before filing a dispute or claim is also pending for hearing by the Sindh High Court.
- ❖ The three notifications of Punjab Social Security Institutions increasing the wage limited from PKR 15,000/- to PKR 18,000/- to PKR 22,000/- were also challenged by EFP in the Lahore High Court and as an interim order, these notifications have been suspended bringing the Social Security Contribution payment on monthly wage of Rs. 10,000/-. The matter is pending for final decision.
- ❖ In Constitutional Petitions relating to SESSI demanding contribution on the basis of minimum wage of PKR 15,000/-, the Sindh High Court gave an adverse decision which has been challenged by over 40 companies through EFP in the Supreme Court of Pakistan

and the Supreme Court of Pakistan has allowed leave of appeal to the petitioners in this case by holding that the SESSI contribution was payable at the rate Rs. 10,000/- till the promulgation of the Sindh SESSI Act 2015 and, thereafter, has directed petitioners to pay contribution at the rate of minimum wage which is being contested.

- ❖ As a result of decision in the Sindh Labor Policy for giving representation to the extent of 80% to employers and workers in the governing bodies of welfare institutions, the Governing Body of Workers Welfare Board has been reconstituted while recommendations have been made by EFP for nominations in the Governing Bodies of other institutions.
- ❖ EFP has introduced EFP Legal Help Desk which will provide round the clock retainership and advisory services to its members. So far, some good response has been received to this initiative.

B. ACTIVITIES OF TRAINING CELL

Sr.	Local Trainings	Trainer	Date	Location
1	Two-Days Training on "Essentials of Occupational Safety and Health" 21st and 22nd June 2018 at Avari Towers, Karachi	Tahir Barlas	21 & 22 June 2018	Karachi
2	"Specialized Training Program on Effective Administration of Salary and Payroll" BY Sumaira Ghouri 07 August 2018, KARACHI	Sumaira Ghouri	7-Aug-18	Karachi
3	SPECIAL SEMINAR ON LABOUR LAWS BY UR USMANI 13th SEPTEMBER 2018 AT AVARI TOWERS , KARACHI	UR Usmani	13-Sep-18	Karachi
4	NEW LABOUR LAWS ENACTMENTS 25TH SEPTEMBER 2018, AVARI TOWERS, KARACHI BY: FASIHUL KARIM SIDDIQI	Fasihul Karim Siddiqi	25-Sep-18	Karachi
5	One Day Workshop on "Disciplinary Action and Conducting Domestic Inquiry under the Labour Laws" Held on 11th of October 2018, at Hospitality Inn, Lahore. Organized by Employers' Federation of Pakistan, Lahore office.	Muhammad Akram	11-Oct-18	Lahore
6	One Day Workshop On: Conflict Quotient On 16 October 2018 At Avari Towers, Karachi	Zain Goplani	16-Oct-18	Karachi
7	Disciplinary Action And Conducting Domestic Inquiry Under The Labour Laws on October 30th	Fasihul Karim Siddiqi	30-Oct-18	Karachi
8	SPECIAL SEMINAR ON LABOUR LAWS BY UR USMANI 30th October	UR Usmani	30-Oct-18	Karachi
9	One Day Workshop on "Contractual Employment & Labour Laws Issues and Challenges in the Light of Supreme Court	Muhammad Akram	22-Nov-18	Lahore

	Decisions” Held on 22nd of November 2018, at Royal Palm, Lahore. Organized by Employers’ Federation of Pakistan, Lahore office.			
10	One Day Workshop on: Contractual Employment & Labour Laws: Issues and Challenges in the Light of Superior Court Decisions 30th November, 2018	Fasihul Karim Siddiqi	30-Nov-18	Karachi
11	ITC-ILO 2-Days Training on Essentials of Occupational Safety and Health in Karachi on 18-19 December 2018	Tahir Barlas	18-19- Dec-2018	Karachi
12	Seminar on Punjab Labour Policy, held on 27 December 2018 at Hospitality Inn, Lahore	Fasihul Karim Siddiqi	27-Dec-18	Lahore
13	Performance Management at Mehran Hotel 9:00 am to 5:00 pm on 15th Feb, 2019	Arif Raza	15-Feb-19	Karachi
14	One Day workshop on (Job Evaluation and Wages Salary Administration) on 8th March, 2019 at Karachi, Pakistan	Fasihul Karim Siddiqi	8-Mar-19	Karachi
15	Occupational Health and Safety in Lahore April	Dr. Muhammad Akram	30-04-2019	Lahore
16	IMPROVING EMPLOYEE PRODUCTIVITY THROUGH COMPLIANCE	Fasihul Karim Siddiqi	23-Jun-19	Karachi

Sr.	Foreign Training	Date	Participant	Company
1	The Program on Working Environment Improvement for Employers [ERWM]	16 July- 31 July, 2018	Saman Laiq Abbasi	K-Electric
2	The Program on Industrial Relations and Human Resource Management for Executives [ERHE]	November 5 – 16, 2018	Abdul Kaleem Clarita Ahmed	National Foods Asia Petroleum
3	The Program on Industrial Relations And Human Resource Management [ERHR2]	17 – 31 January 2019	Salman Jalib	Mehran Sugar Mills Ltd
4	Training Course on the Management Training Program (MTP)" [ERMI]	May 27 – June 14, 2019	Maria Qureshi Muhammad Sohaib Bhatti	Pakistan State Oil Limited Pak Suzuki Motor Company Ltd

C. CONSULTATIVE AND AUDIT SERVICES

- I. EFP continued the following services: -
 - a. Management Consultancy,
 - b. HR, IR and Labor Laws Compliance Audit,
 - c. OSH&E Audit,
 - d. Contractual Labor Management Systems Audit

- II. The organizations have shown keen interest in these initiatives and so far, 08 Companies have availed the benefit of these services. These Services carry immense potential for EFP and its member organizations to their mutual benefit.

STRATEGY 4: ATTRACTING MEMBERS

TARGETS: The following activities have been undertaken; the details have been published in EFP e-wrap which is being regularly issued.

ACTIVITIES: Following nine (09) major activities were conducted: -

1. July 31, 2018 – The first ever Employers Trade Union titled All Pakistan Federation of Industries was established by EFP and has been registered under Industrial Relations Act 2012 with National Industrial Relations Commission. EFP President was unanimously elected as its First President. The objectives of the APFI are as below:
 - a. To provide a forum for employers of business enterprises of Pakistan to progress in the society through decent work, better human resource management and harmonized relations, while keeping in view the corporate social responsibility.
 - b. Represent employers and their interest on national and international level before legal / quasi legal bodies, courts, tribunals, commission in collective bargaining, negotiations, and representing employers in resolving industrial disputes.
 - c. Strive for Industrial Peace, Harmony, Poverty Reduction and Business Promotion by pursuing Policies and Legislation conducive to Investment, Economic Growth, Employment Generation, Gender Equality, Decent Wages and keeping pace with socio economic development of the Country.
 - d. Protect and promote the interest through effective and meaningful participation in consultation at National and International levels and provide assistance and guidance to employers through effective communication.
 - e. Promote, protect, foster encourage and advance interests of industrialists at all, be Local, Regional, National and International levels.
2. August 09, 2018 - EFP organized The CEO Summit 2018 in collaboration with ILO with the objective to bring CEOs and Top Management professionals together at a platform for an interactive session and dialogue to provide them with the vision and opportunity to share their strategic wisdom enabling transformation in their organizations in the fast-moving world of corporate excellence.
3. August 28, 2019 – Meeting on Section 27-B of Banking Companies Ordinance was organized to sensitize representatives of Banks on implications of prohibitions under Section 27-B.
4. September 20, 2018 – EFP organized a meeting of the business community with Mr Abdul Razak Dawood, Advisor to the Prime Minister on Commerce, Textile, Industry & Production and Investment to discuss the Economic, Industrial Vision, and Policies of the new Government and the Way Forward. The Meeting was attended by CEOs and top management of the business community.

5. November 28, 2018- EFP in collaboration with ILO organized a Focused Group Meeting on Promoting ILO Conventions No. 100 (Equal Remuneration) & 111 (Discrimination in Employment and Occupation) & 6th Employer of the Year Award 2017. The event brought together about 200 participants including the Special Assistant to Prime Minister, Minister of State for Overseas Pakistanis & HRD, Sayed Zulfiqar Abbas Bukhari as the Chief Guest. EFP also recognized companies with Best Practices in the areas of general & corporate management, working conditions, labor laws compliance, CSR, adherence to social protection floors and principles of MNE Declaration.
6. December 12, 2018 – EFP organized a meeting with Punjab EFP Member Companies at PTCL Zonal Office to discuss labor and business issues. A 12-member Task Force was also formed to formulate proposals for submission to Punjab Government after consultation with Workers Federation.
7. January 29, 2019 – International HRM Conference was organized by EFP with the purpose to initiate, develop and advance relevant HR policies in dialogue with the private business and public organization sectors: thus, becoming a knowledge bank for HRM trends, national and globally. The event also observed 3rd EFP Award on Best HRM Practices 20187 in which companies with best practices in HRM were conferred with the Excellence Award. Hon'ble Governor Mr Imran Ismail was the Chief Guest at the event. The Conference was attended by more than 200 participants.
8. April 26, 2019 - EFP organized International Health & Safety Day 2019 and 14th EFP Best Practices Award on Occupational Safety and Health in which business organizations were recognized in best practices in the area of OSH by conferring EFP Best Practices Award on OSH 2018. Mr Shafqat Mahmood, Federal Minister for Education, Cultural Heritage and Professional Training was the Chief Guest.
9. July 16-17, 2019 – EFP in collaboration with AOTS organized 2 Days International Seminar on Human Resource Management and Industrial Relations in Karachi with the aim to deepen understanding of participants on HRM in Japanese companies by imparting knowledge on theoretical framework of HRM.

STRATEGY 5: EFP CAPACITY BUILDING

TARGET:

Developing EFP Secretariat to cope with strategy & activities implementation

ACTIVITIES:

1. Efforts are ongoing to improve the capacity building of EFP.

2. EFP staff was nominated to a workshop in Madrid, Spain on “Global Employers’ Young Professionals Academy” organized by International Organisation of Employers on 8-12 April 2019.
3. Mr Andrew Moore, Manager DECP visited EFP Secretariat and conducted a training session of TeamEFP on communication and team work
4. EFP inaugurated its Islamabad was opened with the courtesy of Mr Akram Farid. The Lahore office and Peshawar Office earlier established continue to act as a link between EFP and our local membership.

STRATEGY 6: STRENGTHENING & DEVELOPING PARTNERSHIP

TARGETS:

Strengthening & developing new partners

ACTIVITIES:

1. Academia-Business Linkage:

In addition to Bahria University Karachi Campus, Jinnah University for Women, Federal Urdu University Karachi, Dadabhoy Institute of Higher Education Karachi, EFP has signed MOU with the following business schools for strengthening Academia-Business Linkages:

- Institute of Business Management
- Hamdard University
- College of Earth and Environment Sciences, Punjab University

The EFP in collaboration with ILO and University of Punjab is supporting the successful running of Diploma, Masters, MS and PhD Degrees in Occupational Safety and Health. More intensive engagement with ILO, particularly with the third phase of Decent Work Country Programme and implementation of SDG 8 relating to Decent Work.

2. Intensive engagement with UNGC

EFP – EXTERNAL LINKAGES

- In addition to six MOUs signed with Employers Bodies earlier, the following employers’ bodies were added for more intensive external business bodies for more intensive collaboration in areas of mutual interests: -
- The Cambodian Federation of Employers and Business Associations (CAMFEBA)
- Confederacion De Camaras Nacionales De Comercio, Servicios Y Turismo (CONCANACO)
- Nigeria Employers’ Consultative Association (NECA)

8th SAFE MEETING – New Delhi, India

The 8th SAFE Meeting was held in New Delhi, India in February 2019 because of non-availability of visa, the President and General Secretary could not physically attend the SAFE Meeting, therefore, the President and General Secretary attended the whole meeting from EFP Secretariat on Video Conferencing. Important decisions were taken particularly the unanimous adoption of migration policy which has been forwarded to Government of Pakistan for consideration.

THE WAY FORWARD: EFP GROWTH STRATEGY & ACTION PLAN 2018-2019

Three Board Retreats have been held so far with the support of DECP at Dubai on 24th & 25th Jan, 2017 & at Lahore on 21st – 23rd February, 2018 and 24 – 26 March, 2019 in which EFP GROWTH STRATEGY & ACTION PLAN 2018-2019 was reviewed and approved.

THE FUTURE OUTLOOK

EFP planned its new Growth Strategy which focuses on achieving sustainable financial self-sufficiency and making EFP to emerge as the most relevant, effective and industrial employers' organization on issues of employment and social policy in Pakistan and Asia. An Action Plan for achieving Growth Strategy has been pursued and the EFP Secretariat has increased its capacity to implement the same under the guidance of the EFP Board and its Sub-Committees. EFP Membership has also shown steady growth and efforts are being made to attract Membership on a large scale by revamping of its service package.

EFP Economic Council has added new dimension to the role of EFP in the private sector. We need total support and cooperation of member organizations for achievement of ambitious program of activities.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank the Management, Staff and other associated persons, bodies and associations whose support and co-operation has been crucial and important to our success.

I have every reason to believe that the Management and Staff of the EFP will continue to work with zeal and passion so that the objectives of EFP are achieved.

On behalf of the Board of Directors



Majyd Aziz

President

Karachi

September 16, 2019

The President and Members of Managing Committee,
EMPLOYERS FEDERATION OF PAKISTAN,
Second Floor State life Building No. 2
I.I. Chundrigger Road.
Karachi.

August 26, 2019

Sub: **RE-APPOINTMENT AS AUDITORS FOR THE YEAR ENDING JUNE 30, 2020**

Dear Sirs,

We shall be pleased to act as auditors of **Employers Federation of Pakistan**, if recommended by the Managing Committee and re-appointed by the members in General Meeting to carry out the audit of financial statements for the year ending June 30, 2020 and we confirm that;

- i). our firm has been assigned satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan.
- ii). our firm and its Partners are compliant of Code of Ethics issued by the International Federation of Accountants (IFAC) guidelines as adopted by the Institute of Chartered Accountants of Pakistan.
- iii). Our firm and all the Partners are Independent and compliant of applicable clauses of the Code of Corporate Governance.
- iv). our firm maintains Category "A" in the panel of auditors maintained by the State Bank of Pakistan.

Thanking you,
Yours truly,

