



## **IMAC Child Labour Elimination Programme**

**Performance Report  
July 2019 - June 2020**



**Independent Monitoring Association for Child Labour (IMAC)**

Noushahi House, Opposite Darbar Noushahia Qadria, Al-Hadi Town, Defence Road, Sialkot

Tel: (052) 3554871

Email: [imac@imacpak.org](mailto:imac@imacpak.org)

[www.imacpak.org](http://www.imacpak.org)

# Contents

---

Executive Summary.....	1
1. Introduction.....	3
2. Monitoring Mechanism.....	6
3. Progress Achieved by IMAC during 2019-2020.....	14
4. Successes and Future of IMAC.....	17
5. Accounts and Audit.....	18

Annexure “A” Audit Report for the year 2019-2020

---

## **Executive Summary**

IMAC (Independent Monitoring Association of Child Labour) is a not-for-profit organization registered since May 2002 under section 42 of the Companies Ordinance, 1984. IMAC was set up as a successor organization of the ILO-IPEC's Project to Eliminate Child Labour in the Soccer Ball Industry in Sialkot to sustain and carry forward the achievements of the ILO-IPEC's project. ILO (International Labour Organization) played a catalytic role to create IMAC. IMAC became operational on 01 March 2003 when ILO-IPEC handed over, its work place monitoring functions along with all the logistics and trained manpower to IMAC. IMAC took over the monitoring functions from ILO-IPEC and carry it out in such a way that the umbrella of ILO was removed and replaced by an independent Board of Governors comprising all the constituent members of the ILO Board of Governors that is government, employers and workers. In addition, IMAC also included representatives of two NGOs and representatives of two academic institutions on the BOG. ILO and UNICEF are represented on IMAC's Board in their technical advisory capacity.

In order to make IMAC operational ILO-IPEC provided the initial funds of US \$ 200,000 over a period of about one and a half year. In October 2004, on the request of the Sialkot Chamber of Commerce & Industry (SCCI), the Trade Development Authority of Pakistan (TDAP) pledged an amount of Pk Rs. 30 million for this programme, from its Export Development Funds, for a period of 5 years. After the completion of this programme, the TDAP agreed to provide another Pk Rs. 35.00 million for next 5 years. These funds expired in 2014. The SCCI has put in another funding request to the TDAP for another amount of Pk Rs:75 million from the EDF for next five years. However, in response to this request the EDF paid an amount of 19.6 Million for the years 2015 and 2016 whereas for 2017-19, the EDF approved a funding of Pk Rs: 37.5 Million.

Since its operationalization, the IMAC management tried to develop an environment and culture of its own – where IMAC is seen as a trustworthy monitoring organization by its clients on the one hand, and on the other hand, among the NGOs of similar nature and stature it attains a respectable and distinguished position. IMAC continued its endeavors to achieve its stipulated goals and had been quite successful in attaining a position of respect and credibility especially in the eyes of international community that matters.

The primary task of IMAC had been to monitor the work places of soccer ball manufacturers who join the child labour elimination programme on voluntary basis. During the reporting period, IMAC continued its regular monitoring visits to the work places of soccer ball manufacturers who were members of IMAC programme.

Since the beginning of the monitoring programme including the activities undertaken under the auspices of ILO, so far, 290,721 monitoring visits have been undertaken. However, during the reporting period i.e July 2019 till June 2020, IMAC has carried out 7,682 monitoring visits at an average of 854 monitoring visits per month.

The Covid-19 pandemic also affected the field activities of IMAC. Since the last week of March 2020 till the middle of July 2020 the work place monitoring activities remained completely suspended. After the resumption of field activities in the middle

of July 2020, it gradually gained momentum and within one month these activities were at full swing.

In addition to providing work place monitoring services to the soccer ball industry, IMAC has provided its services to some of the surgical units, leather garment and gloves units etc on their requests. In some cases, some of the international buyers directly approached IMAC to specifically monitor their production with their suppliers in Sialkot which has helped the international buyers to have confidence that the products they are buying from Sialkot are child labour free. Some of the soccer ball buyers also desired IMAC to provide additional monitoring services of their suppliers in regard to other social compliances which IMAC had done successfully. Such activities are still going on.

IMAC also enjoys the trust of the World Federation of Sporting Goods Industry (WFSGI) and FIFA. For any soccer ball manufacturer in Pakistan to become a member of WFSGI, it is a pre-requisite for them to be a member of IMAC. Similarly, to qualify for producing FIFA quality balls, it is mandatory for a soccer ball manufacturer to be in the “A” category of IMAC.



## Management of IMAC

As per its Memorandum & Articles of Association, IMAC is managed by a Board of Governors and a Management Committee. The Board of Governors has representation of almost all the stakeholders i.e Government, Workers, Employers & Business Community, international community, civil society organizations i.e NGOs and academic institution. Following is list of the members of the IMAC Board of Governors

### **IMAC Board of Governors**

<b>S/No</b>	<b>Name</b>	<b>Organization</b>	<b>Status</b>
1	Dr. Khurram Anwer Khawaja	Representative of Child & Social Development Organization (NGO)	Chairman
2	Mr. Muhammad Irfan	Representative of Trade Development Authority of Pakistan, Govt. of Pakistan	Member
3	Mr. M. Rehan Nabi	Representative of Labor & Human Resource Department, Govt. of Punjab	Member
4	Mr. Arfan Elahi	Representative of Pakistan Sports Goods Manufacturers and Exporters Association	Member
5	Mr. Majid Raza Bhutta	Representative of Sialkot Chamber of Commerce & Industry (SCCI)	Member
6	Mr. Zahoor Awan	Representative of Pakistan Workers Federation	Member
7	Ch. Muhammad Ashraf	Representative of Pakistan Workers Federation	Member
8	Dr. Nouman Idrees Butt	Representative of World Federation of Sporting Goods Industry (WFSGI)	Member
9	Sheikh Abdul Waheed Sandal	Representative of Employer's Federation of Pakistan	Member
10	Dr. Umara Rauf	Representative of Govt. College Women University of Sialkot	Member
11	Ms. Mamona Sadaf	Representative of University of Management and Technology Sialkot Campus	Member
12	Dr. Amena Hasan	Representative of Business for Social Progress (NGO)	Member
13	Mr. Mian Naeem Javed	Ex-Zila Nazim / Individual Capacity	Member
14	Mr. Nasir Mehmood Dogar	Chief Executive, IMAC	Member / Secretary
15	---	Representative of United Nations Children Fund (UNICEF)	Technical Advisory Capacity
16	---	Representative of ILO-IPEC Islamabad	Technical Advisory Capacity

The Memorandum & Articles of Association of IMAC requires its BOG to meet at least once in 15 months. During the reporting period, the BOG of IMAC held 3 meetings and dealt with the usual management as well as the policy issues.

Following is the present composition of the IMAC's Management Committee.

### **IMAC Management Committee**

<i>S/N</i>	<i>Name</i>	<i>Organization</i>	<i>Status</i>
1	<i>Dr. Khurram Anwer Khawaja</i>	<i>Representative of Child &amp; Social Development Organization (NGO)</i>	<i>Chairman</i>
2	<i>Ch. Muhammad Ashraf</i>	<i>Representative of Pakistan Workers Federation</i>	<i>Member</i>
3	<i>Sheikh Abdul Waheed Sandal</i>	<i>Representative of Employer's Federation of Pakistan</i>	<i>Member</i>
4	<i>Mr. Muhammad Irfan</i>	<i>Representative of Trade Development Authority of Pakistan , Govt. of Pakistan</i>	<i>Member</i>
5	<i>Mr. Nasir Mehmood Dogar</i>	<i>Chief Executive, IMAC</i>	<i>Member / Secretary</i>

## **2. Monitoring Mechanism**

### **IMAC's Monitoring Procedures**

- Soccer Balls Manufacturers' Voluntary Joining of the Programme
- Signing of an Undertaking by the joining manufacturers
- Establishment of Database
- Random Selection of Workplaces through a computer programme to be visited every morning

### **ID CODE**

- Each participating manufacturers has been issued with an Identification code consisting of three digits which is printed inside of every ball on a specified panel
- This is done to check the possibility of any leakage or pilferage from registered stitching centres to homes and also the counterfeiting of any branded balls

### **Area-Based Monitoring**

- While monitoring a stitching centre, complete locality is visited to identify any un-registered stitching activity
- IMAC monitors also visit those areas/ villages where no manufacturer participating in the programme has their stitching activities. This is done to identify any un-registered stitching activities in the area.

### **IMAC's Monitoring System**

IMAC's monitoring system consists of Internal Monitoring and External Monitoring. Internal Monitoring is the responsibility of each participating manufacturer whereas the External Monitoring is carried out by the IMAC monitors.

### **External Monitoring**

- Carried out by the IMAC monitors
- Verifies the internal monitoring information provided by the manufacturers
- IMAC has a team of 10 monitors consisting of 4 male and 6 female monitors
- Each stitching centre/ work place, available in the data base, is visited roughly once in 6 weeks
- Each visit is completely a surprise visit for the respective manufacturer and his sub-contractor
- Every morning centres to be monitored are randomly selected through a specially designed computer programme





### **Zones and Clusters**

- For the purpose of better planning the external monitoring, the Sialkot district and its environs have been divided into nine zones
- These zones are sub divided into 39 clusters
- Clusters further divided into proximities for facilitation of monitoring teams

### **Criteria of a Stitching Centres**

In Soccer ball industry the manufacturers participating in the CLEP are allowed to establish following kinds of centers, which are monitored by IMAC:

- **MALE CENTRE:** More than five male stitchers working together while being in a home/ building premises, at a rented shop, under a tree, on the roof top etc. There is compulsion of any formal work place.
- **FEMALE CENTRE:** Five or more female stitchers working together in the same conditions as explained above.
- **COMBINED CENTRE:** Five Male + Female stitchers working at a premises either in the same room or separate rooms



## **Management of IMAC's Monitoring System**

### **Monitoring Criteria**

Work places/stitching centres to be visited every morning are selected randomly through a specially designed computer programme. As such each visit is a complete surprise not only for the manufacturers and their sub-contractors but also for the monitors themselves;

In each monitoring visit work places are monitored for any possibility of child labour involvement for which the available un-stitched/ stitched stock is also checked w.r.t the number of stitchers. This helps to monitor any leakage/pilferage of material from registered centre to homes;

In addition to monitoring for child labour, physical working conditions at work places are also monitored. These include: adequacy of working space, cleanliness and hygiene, ventilation, light, availability of drinking water and washrooms/ toilets, fire extinguishers and first aid boxes.

### **Management of Monitoring Results**

Monitoring data obtained through the field monitoring activities is processed through a computer programme and based on a performance criteria, the manufacturers are placed in ABC categories defined in the preceding section.

### **ABC Performance Criteria**

#### **CATEGORY "A"**

It shall contain the names of those participating manufacturers who religiously adhere to all the provisions of the programme, as enunciated in the undertaking they sign at the time of joining the programme. These provisions include undertaking 100% stitching of all hand-stitched balls (without any distinction of size, kind, value of the ball) at monitor able stitching places; prompt response to any query from IMAC; keeping the IMAC updated at all times about their stitching activities; closing, opening of stitching centers; not involving in any kind of counterfeiting/fake

Production of branded balls; instituting a strong and effective internal monitoring system etc. An important yardstick for making sure that all the stitching activities take

place at the monitorable stitching places is the variation between the internal monitoring information and the external monitoring information with reference to the actual production output and the number of stitchers at each stitching center. If the variation (difference between the number of balls produced with reference to the number of stitchers present at respective centre) is less than 30%, the manufacturer shall be placed in Category "A". If the variation exceeds 30%, the respective manufacturer shall be shifted to category "B". (Stitching capacity of a stitcher is calculated at 3.5 balls per 8 hours day. 30% variation is acceptable in case of promotional/ cheap balls where more than 3.5 balls could be easily stitched in an 8 hours day)

### **CATEGORY “B”**

It shall contain the names of those manufacturers who are sluggish or sloppy in adhering to the provisions of the programme at times; whose names, as punishment for violation of the programme provisions, are shifted from Category “A”, who are evasive or hide information or do not provide complete information; who do not employ an effective internal monitoring. The name of a manufacturer shall remain in the “B” Category maximum for a period of three months. If within three months that manufacturer does not improve his/her performance, his name shall be further downgraded to Category “C”

### **CATEGORY “C”**

Category “C” is for those manufacturers who are not serious about the programme and habitual violators of its provisions. Any manufacturer who would deliberately or knowingly violate provisions of the programme continuously on more than three occasions shall be removed from a higher category to Category “C”. Similarly, if at any stitching facility of a manufacturer, any child, under the age of 14 years, is found working, and the respective manufacturer do not take any action against those responsible for engaging the child in work, the manufacturer shall immediately be transferred to the Category “C”. A manufacturer, once placed in Category “C” will remain in this category for not more than three months. If the manufacturer once placed in Category “C” does not improve his performance within three months period, recommendation shall be made to remove him from the programme.

**Compendium of Punitive Actions for the Violations of the Provisions of the Child Labour Elimination Programme**

**ACUTE VIOLATIONS**

The violations, the committing of which can make a manufacturer relegated from category “A” to “C”

<b>Sr.</b>	<b>VIOLATIONS</b>	<b>PUNITIVE ACTIONS</b>
1	Some child labour found at work place of a manufacturer.	The manufacturer should be asked to clarify his position & if the response is unsatisfactory, he should immediately be relegated to category “C”.
2	A child is found working for a member manufacturer at an unregistered place.	The matter should be investigated thoroughly & the m/f should be asked to take action against those responsible for this act within specified time. If he fails to do so, his category should be lowered.
3	A manufacturer deliberately tries to evade monitoring by sending material outside of district Sialkot to far off areas, which are not covered under the monitoring net.	The manufacturer should be given a chance to explain his position & in case of unsatisfactory response he should be relegated to lower category.
4	A manufacturer is continuously found violating the provisions of the programme deliberately & knowingly.	The manufacturer should be given a time not exceeding two months during which he should be kept under close observation. If he is still found violating the provisions of the programme deliberately, his category should be lowered immediately.
5	No stitching centre of a manufacturer is registered with the Independent Monitoring Association for Child Labour (IMAC), but we come to know that the manufacturer has an order & he is getting the work done at unregistered places.	Fifteen days notice to revise complete information & if situation doesn't improve, he should be relegated to lowest category.

### MAJOR VIOLATIONS

The violations, the committing of which can cause the relegation of a manufacturer from category “A” to a lower category “B” or “C” depending on the gravity of the offence.

<b>Sr.</b>	<b>VIOLATIONS</b>	<b>PUNITIVE ACTIONS</b>
1	Excessive un-registered stitching activities of a manufacturer are often found during monitoring.	The m/f's involvement in the matter should be investigated & if it is found that these activities are being carried out with his consent, his category should be lowered.
2	A participating manufacturer not printing the IMAC ID-Code allotted to their company on any brand or quality they are producing.	The m/f should be asked to print it on every ball with a warning that if he continues with the same practice after a given time his category should be lowered.
3	A manufacturer does not respond to the queries of IMAC promptly & sometimes does not respond even after a reminder.	The m/f should be kept under observation for a period of three months during which continuous reminders at an interval of 15 days should be sent. If the situation remains the same, his category should be lowered.
4	If a proof is found that a participating manufacturer has instructed his sub-contractor's/ maker's to get the balls stitched from anywhere outside the stitching centre.	After thorough investigation of the matter, if the m/f proves to be guilty his category should be lowered.
5	The internal monitoring system of a manufacturer is weak & he does not make efforts to improve it.	An effort should be made to guide him to do so & if he fails to improve it or doesn't show any interest, his category should be lowered.
6	There is more than 30% upward variation between the internal & external information of a manufacturer especially with reference to his stitching capacity.	The m/f should be asked to clarify his position & if the answer is found unsatisfactory he should be penalized in the form of lowering of his category.

**Uploading of Monitoring results on IMAC website**

<http://www.imacpak.org>

**INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOR**  
**IMAC**  
DAWN OF A NEW HORIZON  
INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR

Home Contact Us **Members** Atlanta Agreement Publications

Last Updated: 12 November 2020

- About IMAC
- IMAC'S BOG
- Services Offered
- IMAC Procedure
- Memorandum
- Undertaking
- Punitive Actions
- Criteria ABC List
- Partners
- Publications
- Monthly Progress Reports
- Fact Sheet
- Members
- Career Opportunities

**Who's IMAC**

Independent Monitoring Association for Child Labor (IMAC) is a non-profit organization that provides the workplace monitoring services, to any industry/ industrial establishments, against child labor as well as monitoring for other social and working conditions. It has the capacity and capabilities to provide consultancy services to any industry/ industrial agglomerations to devise and setup a workplace monitoring system, execute the setting up of a monitoring system and training the required manpower, awareness raising about the menace of child labor and better working conditions and develop and execute programmes for social protection and rehabilitation of affected and afflicted groups of society.


IMAC was established on 2002 to sustain the workplace monitoring system against child labor setup by the ILO-IPEC in the soccer ball industry in Sialkot, Pakistan. In March 2003, it took over from the ILO-IPEC the child labor monitoring system along with all the technical know how, logistics and trained technical staff to run the system. Since then, it not only ran the system with

**Members**  
Members in Monitoring Programmes

**Monthly Reports**  
Monthly Progress Reports

**Publications**  
Check out for new Publications

**ABC Performance List of members at IMAC’s website:**



Home Contact Us **Members** Atlanta Agreement Publications


Last Updated: 12 November 2020

**Members in IMAC's Monitoring Programmes for Soccer Ball Industry**

- 1. Members in Category 'A'** (41)
- 2. Members in Category 'B'** (0)
- 3. Members in Category 'C'** (0)
- 4. Provisional Members**
  - 4(a). Provisional Members Under Probation** (5)
  - 4(b). Provisional Members Performing Badly** (0)
- 5. Members Stricken Out Due to Serious Violations** (3)
- 6. Members Stricken Out Due to Non-Payment or Left the Program on Their Own Accord** (119)

[Members list in alphabetic order \(View List\)](#)






**Snapshot of List of members in Category “A”.**



Home Contact Us **Members** Atlanta Agreement Publications

Last Updated: 12 November 2020

**List of Members in Category 'A'**

S/N	Name of Company	Monitoring Options		Category
		Hand Stitched Balls Only	Additional Stitching Techniques	
1	ALBERTA SPORTS (PVT) LTD. 	Hand Stitched Balls		'A'
2	ALI TRADING COMPANY (PVT) LTD. 	Hand Stitched Balls		'A'
3	ANWAR KHAWAJA INDUSTRIES (PVT) LTD. 	Hand Stitched Balls	1. Machine Stitched Balls 2. Thermo Bonded Balls	'A'
4	ASSAC SPORTS INDUSTRIES (PVT) LTD. ASSAC SPORTS INDUSTRIES (PVT) LTD.	Hand Stitched Balls		'A'
5	AWAN SPORTS INDUSTRIES (PVT) LTD. 	Hand Stitched Balls		'A'
6	B.J SPORTS 	Hand Stitched Balls		'A'
	BOLA GEMA			

### 3. Progress Achieved by IMAC during 2019-2020

#### Monitoring Progress

During the period under reporting, IMAC continued its regular monitoring visits to the work places of soccer ball manufacturers who had joined the Child Labour Elimination Programme, voluntarily.

During the year 2019-20, IMAC has carried out 854 monitoring visits per month, on the average while monitoring about 2,329 stitching centres registered with IMAC and maintained a lap time of 11.54 weeks.

Table:2 gives details of the incremental progress of the interest/ needs of the soccer ball manufacturers in the Child Labour Elimination Programme, whereas Table: 3 and Table:4 respectively give the year wise details of the registered stitching centres and the monitoring visits to these centres.

Table No. 1 : Registered Centres Versus Centre Visits

Year	2018-19	2019-20
Average Registered Centres	2,329	2,109
Average Monitoring Visits	807	854
Average Laptime Covered ( Weeks )	11.54	9.88
Average No. of Registered Centres Outside District Sialkot	591	524

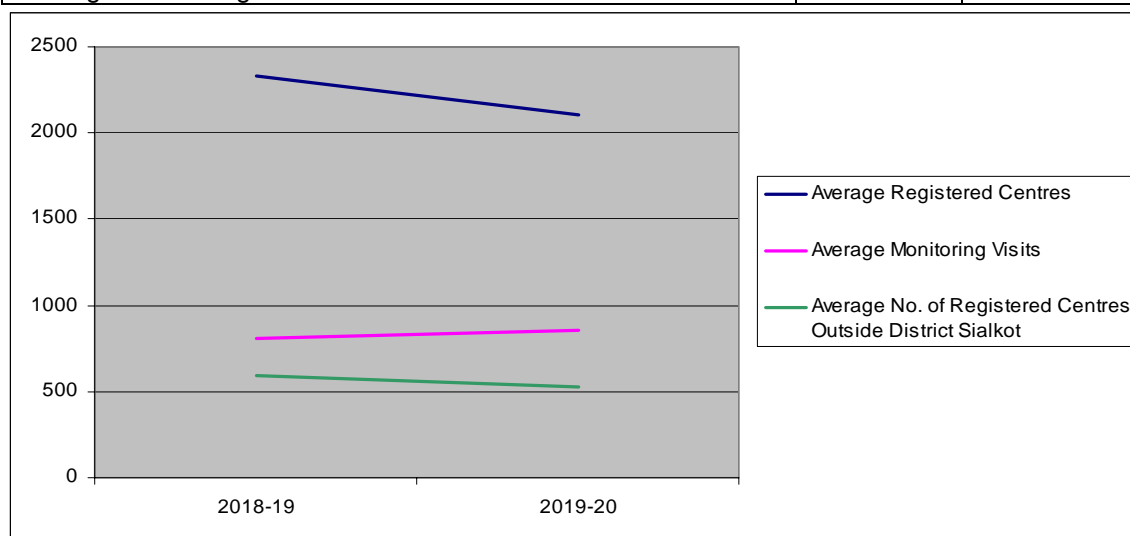




Table No. 2 : Members in Soccer Ball Project Month Wise

	2018-19	2019-20
July	49	45
August	49	45
September	49	45
October	49	45
November	49	45
December	49	44
January	46	44
February	46	45
March	47	46
April	46	LOCK DOWN DUE TO COVID-19
May	47	LOCK DOWN DUE TO COVID-19
June	47	LOCK DOWN DUE TO COVID-19
<b>AVG Active Members</b>	<b>48</b>	<b>45</b>

Table No. 3 : Registered Stitching Centres

	2018-19							2019-20						
	M	S	F	C	V	Total	Out of Dist	M	S	F	C	V	Total	Out of Dist
July	628	33	1253	341	3	2258	574	621	29	1326	347	2	2325	581
August	1258	33	641	344	3	2279	581	627	29	1316	345	2	2319	584
September	641	34	1271	348	3	2297	581	623	29	1323	344	2	2321	587
October	635	36	1306	348	3	2328	586	633	32	1360	346	2	2373	589
November	637	34	1326	350	3	2350	589	605	32	1351	338	2	2328	570
December	638	34	1346	350	2	2370	600	489	26	1137	268	2	1922	464
January	639	33	1323	352	2	2349	600	497	23	1103	266	2	1891	475
February	634	33	1318	350	2	2337	598	489	23	1102	261	2	1877	467
March	632	32	1316	348	2	2330	595	401	22	964	233	2	1622	399
April	639	30	1334	353	2	2358	608	LOCK DOWN DUE TO COVID-19						
May	626	31	1332	350	2	2341	588	LOCK DOWN DUE TO COVID-19						
June	629	31	1339	350	2	2351	589	LOCK DOWN DUE TO COVID-19						
<b>AVERAGE</b>	<b>686</b>	<b>33</b>	<b>1259</b>	<b>349</b>	<b>2</b>	<b>2329</b>	<b>591</b>	<b>554</b>	<b>27</b>	<b>1220</b>	<b>305</b>	<b>2</b>	<b>2109</b>	<b>524</b>

Legend:

M = Male Stitching Centre

F = Female Stitching Centre

C = Combined Stitching Centre

V = House based / Village based Stitching Centre

Out of Dist = Stitching Centres located outside District Sialkot

Table No. 4 : Monitoring Visits Month Wise

	2018-19	2019-20	
July	725	945	
August	763	574	
September	900	748	
October	850	997	
November	762	879	
December	692	1123	
January	999	873	
February	777	818	
March	931	725	
April	1025	COVID-19	
May	664	COVID-19	
June	600	COVID-19	
<b>Total</b>	9,688	7,682	<b>17,370</b>

### **Working Conditions in the Stitching Centres Monitored by IMAC**

In addition to monitoring the work places for child labour, IMAC also looked at the conditions prevailed at the work places visited during the period under reporting. During these visits the shortcomings identified were communicated to the respective manufacturers and were followed up for rectifications. All the shortcomings identified by the IMAC monitors so far have been rectified by the respective manufacturers. Generally IMAC monitoring teams try to assess the physical conditions at the stitching centers such as sufficient sitting space for stitchers, light, sitting arrangements, ventilation/ air circulation, drinking water availability and toilets. However, while collecting the information cultural norms and social aspects are kept in view. Generally three categories are used for these assessment: 1: Excellent/ More than sufficient, 2: Good/ sufficient; 3: Poor/ insufficient/not available. The stitching centres are classified into two types i.e. *Purposely Built Centres* and *others*. The Purposely Built Centres are monitored for two additional conditions i.e. Fire Extinguisher and First Aid facilities.

IMAC regularly updates its database and the respective monthly progress reports covering each and every aspect of its monitoring are regularly published on its website for public viewing/ information.

## **4. Successes and Future of IMAC**

### **Successes of IMAC**

Before the inception of IMAC, ILO-IPEC's Child Labour Elimination Programme only concentrated on the issue of child labour. After taking over from ILO-IPEC, IMAC not only continued this programme with the same zeal and fervor, rather made it more authentic by adding the working conditions in its monitoring list. This gave a lot of assurance to the international buyers about the status of the working conditions in the soccer ball industry. This could be evident from the fact that, despite the big odds of price competition with China and the technological changes in the soccer ball production in terms of mechanization, soccer balls export of Pakistan increased from 36 million balls in 1998 to around 100 million balls in 2006-2007. The world cup year of 2010 did not prove to be a productive year for Pakistan as there has been a slump due to various factors major being the prices as compared to the products of china. However, the World Cup i.e 2018 had been a promising year. The world cup was played with the ball manufactured in Pakistan. In view of this some buyers engaged IMAC to provide additional monitoring of their production from Sialkot which was a testimony of their confidence and trust on IMAC.

### **Importance of IMAC for Export Industry**

In the present day export business scenario, importance of the CSR has become very critical. The consumer in the developed world has become so conscious about it that any hint of the violation of CSR or exploitation of workers can have serious consequences for producers/ suppliers. Therefore, the international buyers always look for assurances before buying any product especially from developing countries. In this regard, a continued role of IMAC has become very important. FIFA does not issue licenses to soccer ball manufacturers in Pakistan unless they become members of IMAC. Similarly international buyers, most of the time, confirm the membership of a manufacturer with IMAC before making any deal. International media has also become very conscious of the presence and role of IMAC. An event that took place in Switzerland in April 2008 is a testimony to this fact. Bank Credit Suisse – the second largest bank of Switzerland, through a sourcing company in Switzerland, made a deal with a supplier in Sialkot for the supply of 200,000 balls. This supplier was not a member of IMAC. A Swiss TV investigated the matter and found out that since the respective supplier was not a member of IMAC, therefore, its production could not be ensured as child labour free. The further investigation of the Swiss TV which was done by their journalist in Sialkot confirmed their stance. As a result, the Bank Credit Suisse had to donate one million Swiss Francs to UNICEF as a kind of compensation.

All the above stated facts show that the importance of IMAC, especially for the soccer ball industry is increasing day by day. As such its continued operations in Sialkot have become a necessity in order to continue and promote the soccer ball exports from Pakistan.

## **Other Endeavors of IMAC**

Under the provisions of IMAC's Memorandum and Articles of Association, IMAC's mandate goes beyond soccer ball industry. As such, in addition to providing the work place monitoring services to the soccer ball industry, sometimes some manufacturers of other products such as leather jackets, gloves, bags etc approach IMAC with the request to provide them monitoring services for their products. Such manufacturers usually approach on the desire of their buyers who want their suppliers to be child labour free. IMAC, from time to time, provide its monitoring services to such manufacturers as well. At present IMAC is providing its work place monitoring services to a gloves making unit, a leather bag making unit and a surgical company. Recently IMAC has signed an agreement with an international buyer of surgical goods from Hong Kong to monitor the production of his supplier in Sialkot. This is a pilot programme which will be extended after the completion of its present term.

## **Future Endeavors of IMAC**

IMAC would continue to providing its work place monitoring services to the soccer ball industry in Sialkot. It also intends to extend its monitoring services to other industries in Sialkot so that Sialkot becomes a symbol of child labour free production for the whole world. IMAC aims to go beyond child labour and provide monitoring services against all social compliances to ensure socially benign entrepreneurship in Sialkot which would definitely help Pakistan to retain its GSP plus status of the export industry especially for European Union countries.

## **5. Accounts and Audit**

### **Accounts**

In order to maintain its operations, IMAC is currently dependent on the funding from the Sialkot Chambers of Commerce & Industry (SCCI). SCCI is generating these funds from contributions of the soccer ball manufacturers who are members of the Child Labour Elimination Programme (CLEP), and a contribution from the Government of Pakistan through TDAP from the EDF.

### **Audit**

IMAC gets its accounts audited on annual basis from certified chartered accountants. The accounts for the years 2019-2020 were audited by M/S F.R.A.N.T.S & Co.

Copy of the audit report is available at Annexure A.

## **Annexure “A”**

**PKF**

**INDEPENDENT MONITORING ASSOCIATION  
FOR CHILD LABOUR  
FINANCIAL STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

**PKF F.R.A.N.T.S.**  
Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

To the members of Independent Monitoring Association - For Child Labour

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **INDEPENDENT MONITORING ASSOCIATION – FOR CHILD LABOUR** which comprise the statement of financial position as at **June 30, 2020**, and the statement of income and expenditure, the statement of changes in funds, 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 statement of income and expenditure, the statement of changes in funds 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, 2020** and of the profit and the 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 *Auditors' 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 (the Code) 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.

#### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' 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.

Second Floor, Riaz Plaza, Paris Road, Sialkot - Pakistan.

Tel: +92-52-4265194, 4591116, 4601494 E-mail: [sialkot@pkf.com.pk](mailto:sialkot@pkf.com.pk) Web: [www.pkf.com.pk](http://www.pkf.com.pk)  
OTHER OFFICES: KARACHI | LAHORE | MULTAN | ISLAMABAD | PESHAWAR | KABUL



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 are responsible for overseeing the Company's financial reporting process.

### **Auditors' 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 auditors' 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.
- 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 auditors' 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 auditors' 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 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 statement of income and expenditure, the statement of changes in funds 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 Mr. Zulfiqar Ahmed Nasir, FCA.

*PKF F.R.A.N.T.S.*  
**PKF F.R.A.N.T.S.**  
**Chartered Accountants**

**Sialkot**

**Date:** 5 October 2020

INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR  
STATEMENT OF FINANCIAL POSITION  
AS ON JUNE 30, 2020

ASSETS	Note	2020 -----Rupees-----	2019
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	-	-
<b>CURRENT ASSETS</b>			
Advances and sundry receivables	6	179,803	452,803
Cash and bank balances	7	4,436,926	10,344,424
		4,616,729	10,797,227
<b>TOTAL ASSETS</b>		<b>4,616,729</b>	<b>10,797,227</b>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS AND RESERVES</b>			
Unrestricted funds	8	(1,531,092)	2,196,924
<b>LONG TERM LIABILITIES</b>			
Net liability for defined benefit obligations	9	4,313,286	4,313,286
<b>CURRENT LIABILITIES</b>			
Sundry creditors		50,549	81,844
Short term borrowings	10	-	2,500,000
Accrued and other liabilities	11	1,783,986	1,705,173
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,834,535</b>	<b>4,287,017</b>
<b>CONTIGENCIES AND COMMITMENTS</b>	12	-	-
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>4,616,729</b>	<b>10,797,227</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
CHAIRMAN

  
Chief Executive

INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR  
STATEMENT OF INCOME AND EXPENDITURE  
FOR THE YEAR ENDED JUNE 30, 2020

INCOME	Note	2020	2019
		-----Rupees----- -----Un Restricted Funds-----	
Grant received from SCCI		5,000,000	7,500,000
Monitoring income		276,380	314,386
Other income	13	409,043	136,007
		5,685,423	7,950,393
<b>EXPENDITURE</b>			
Staff salaries and benefits	14	6,487,586	6,245,584
Utilities		262,076	297,875
Security services		468,000	432,000
Travelling and conveyance		4,105	4,520
Printing and stationery		22,600	30,178
Communication		69,740	64,710
Vehicle running expense		871,327	957,978
Repair and maintenance		132,079	349,210
Insurance		347,203	349,755
Building rent	15	534,528	509,268
Legal and Professional Charges		11,550	67,582
Auditor's remuneration		47,250	45,000
Bank charges		48,207	24,231
Miscellaneous		107,189	89,818
		9,413,439	9,467,709
Taxation	4.4	-	-
<b>DEFICIT FOR THE YEAR</b>		<b>(3,728,016)</b>	<b>(1,517,316)</b>

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
CHAIRMAN

  
Chief Executive

INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR  
 STATEMENT OF CHANGES IN FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Unrestricted Fund	Total Fund
	-----Rupees-----	
Balance as at June 30, 2018	3,714,240	3,714,240
Deficit for the year	(1,517,316)	(1,517,316)
Balance as at June 30, 2019	2,196,924	2,196,924
Deficit for the year	(3,728,016)	(3,728,016)
Balance as at June 30, 2020	(1,531,092)	(1,531,092)

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
 CHAIRMAN

  
 Chief Executive

INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 -----Rupees-----	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus/(Deficit) for the year		(3,728,016)	(1,517,316)
<b>Working capital changes:</b>			
(Increase) in advances and sundry receivables		273,000	38,841
Increase/(Decrease) in sundry creditors		(31,295)	(1,763)
(Decrease)/Increase in accrued and other liabilities		78,814	291,811
<b>Net cash generated from operations</b>		<b>(3,407,498)</b>	<b>(1,188,427)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash (used in)/from investing activities		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term borrowings		(2,500,000)	2,500,000
<b>Net cash (used in)/from financing activities</b>		<b>(2,500,000)</b>	<b>2,500,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>(5,907,498)</b>	<b>1,311,573</b>
Cash and cash equivalents at the beginning of the year		10,344,424	9,032,851
Cash and cash equivalents at the end of the year	7	<u>4,436,926</u>	<u>10,344,424</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

  
CHAIRMAN

  
Chief Executive

INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

**4. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statements are consistent to all the years presented, unless otherwise stated and are as follows:

**4.1 Property, plant and equipment**

Operating fixed assets are stated at cost less accumulated depreciation and impairment if any except land held for business use is stated at cost.

Depreciation is provided on straight line method to write off the cost of operating fixed assets over their estimated useful lives.

Depreciation on additions is charged from the date in which the assets are available for use and on deletion up to the date on which assets are deleted. Maintenance and normal repair are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss, if any, on disposal of operating fixed assets is included in current year's income.

**4.2 Revenue recognition**

**Unrestricted / General fund**

Revenue from monitoring activities is recognized on accrual basis of accounting.

Grants are recognized on receipt basis.

Profit on deposit with banks is recognized on time proportion basis taking in to account the amounts outstanding and rate applicable there on.

**Restricted Funds**

The organization follows the restricted fund method for recognition of its funds, as prescribed by ICAP in Accounting Standards for Non-for-Profit Organizations (NPOs). Under this method grants are recognized as revenue when received, irrespective of the expenses incurred.

**4.3 Provident Fund**

The Company operates an approved contributory provident fund for all employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate 10% of gross salary.

**4.4 Taxation**

No incidence of tax accrues to the Company as it is entitled to tax credit equivalent to tax liability in terms of section 100C of the Income tax ordinance 2001.

**4.5 Foreign currency translations**

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at the exchange rates prevailing on the balance sheet date. All exchange fluctuations are charged to profit and loss account.

**4.6 Related party transactions and transfer pricing**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

**4.7 Figures**

Figures have been rounded off to the nearest rupee; whereas figures relating to previous years have been rearranged wherever necessary for the purpose of comparison.

INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

1. LEGAL STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan as a company limited by guarantee under the provisions of the Repealed Companies Ordinance, 1984. The Independent Monitoring Association for Child Labour was established in 2002 with an aim of elimination and prevention of child labour from soccer ball industry in Sialkot and its immediate vicinity within the context of Atlanta agreement signed amongst International Labour Organisation (ILO), its partners and Sialkot Chamber Of Commerce and Industry. The registered office of the company is situated in Sialkot.

1.1 IMPACT OF COVID-19 ON FINANCIAL STATEMENTS

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 20, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from March 23, 2020. In the Company's case, the lockdown was subsequently relaxed from end of May, 2020.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lockdown has caused disruptions in supply chain including supply to the customers resulting in a decline in sales. It is also expected that the outbreak may result in lower demand in future. Due to this, the management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

the impairment of tangible assets under IAS 36, 'Impairment of non financial assets';

the net realisable value of inventory under IAS 2, 'Inventories';

going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium-sized entities issued by the
- International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standard for Not-for-Profit Organizations issued by the Institute of Chartered Accountants of Pakistan 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 for SMEs or the Accounting Standard for NPOs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. BASIS OF MEASUREMENT

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention. Further these financial statements have been prepared under the accrual basis of accounting.





INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2020

5.1 Operating fixed assets (continued)

Particulars	2019										Net book value as at June 30, 2019	
	Cost				Depreciation rates	Accumulated depreciation			As at 30 June 2019	As at 30 June 2019		
	As at 1 July 2018	Additions	Deletions	As at 30 June 2019		As at 1 July 2018	Charge for the year	Adjustments				
Rupees										Rupees		
Furniture & Fixtures	334,208	-	-	334,208	10	334,208	-	-	-	-	334,208	-
Computer & Electric Equipment	1,197,537	-	-	1,197,537	30	1,197,537	-	-	-	-	1,197,537	-
Vehicles	1,487,312	-	-	1,487,312	20	1,487,312	-	-	-	-	1,487,312	-
	<b>3,019,057</b>	<b>-</b>	<b>-</b>	<b>3,019,057</b>		<b>3,019,057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,019,057</b>	<b>-</b>

Owned:

INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

		2020	2019
		-----Rupees-----	
<b>6. ADVANCES AND SUNDRY RECEIVABLES</b>			
Prepaid Insurance		170,803	180,170
Prepaid Rent		-	272,633
Rent receivable		9,000	-
		<u>179,803</u>	<u>452,803</u>
<b>7. CASH AND BANK BALANCES</b>			
<b>Cash in hand:</b>			
Local currency		2,695	1,750
Foreign currency		103,781	101,849
		<u>106,476</u>	<u>103,599</u>
<b>Cash at banks:</b>			
Saving account -SCB		50,634	6,273,609
Current account -MCB		4,279,816	3,967,216
		<u>4,330,450</u>	<u>10,240,825</u>
		<u>4,436,926</u>	<u>10,344,424</u>
<b>8. FUNDS AND RESERVES</b>			
Un-Restricted Fund (Represents IMAC general fund)	8.1	(1,531,092)	2,196,924
8.1 Un-Restricted Fund (Represents IMAC general fund)		2,196,924	3,714,240
Deficit for the year		(3,728,016)	(1,517,316)
		<u>(1,531,092)</u>	<u>2,196,924</u>
<b>9. NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS</b>	9.1	<u>4,313,286</u>	<u>4,313,286</u>
9.1 During the year provision for gratuity has not been made as the company has decided to operate provident fund for its employees benefit effective from July 01, 2018.			
<b>10. SHORT TERM BORROWINGS</b>			
Loan from chamber	10.1	-	2,500,000
10.1 This loan has been obtained from sialkot chamber of commerce and industry to fulfill needs of day to day activities.			
<b>11. ACCURED AND OTHER LIABILITIES</b>			
Salaries and other benefits payable		-	42,600
EOBI payable		34,320	8,580
Auditors' remuneration		47,250	45,000
Utility bills		11,450	5,780
Gratuity payable to employees		1,280,850	1,280,850
Provident fund payable		396,597	310,902
Other Payable		13,519	11,461
		<u>1,783,986</u>	<u>1,705,173</u>
<b>12. CONTINGENCIES AND COMMITMENTS</b>			
There are no contingencies and commitments as on June 30, 2020 (2019:Nil).			
<b>13. OTHER INCOME</b>			
Profit on saving account		397,751	113,743
Other income		11,292	22,264
		<u>409,043</u>	<u>136,007</u>

INDEPENDENT MONITORING ASSOCIATION FOR CHILD LABOUR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

		2020	2019
		-----Rupees-----	
14. STAFF SALARIES AND BENEFITS	14.1, 14.2	<u>6,487,586</u>	<u>6,245,584</u>

14.1. Staff salaries and benefits includes provident fund contribution made by the company.

14.2. REMUNERATION OF CHIEF EXECUTIVE

The aggregate amount charged in the financial statements for the remuneration including all benefits to chief executive of the Company is as follows:

	2020	2019
	Chief Executive	Chief Executive
Managerial remuneration	<u>2,038,476</u>	<u>1,973,762</u>
Number of persons	<u>1</u>	<u>1</u>

15. BUILDING RENT

Rent Expense	570,528	545,268
Less: Recovered	<u>(36,000)</u>	<u>(36,000)</u>
	<u>534,528</u>	<u>509,268</u>

16. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statements of the Fund:

Size of the Fund - Total Assets	2,245,902	1,052,242
Fair value of investments	1,753,057	719,752
Percentage of investments made	78%	68%

16.1. The cost of above investments amounted to Rs.1.753 million (2019: Rs.0.719m)

16.2. The break-up of fair value of investments is as follows:

	Percentage	
	2020	2019
Cash at bank	<u>100%</u>	<u>100%</u>

16.3. All investments out of provident fund have been made in accordance with the provision of Section 218 of the Companies Act 2017 and the conditions specified thereunder.

17. EVENTS AFTER THE REPORTING DATE

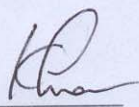
No adjusting or significant non-adjusting event in accordance with IAS-10 'Events after the Reporting Period' have occurred between statement of financial position date and date of authorization.

18. NUMBER OF EMPLOYEES AT THE YEAR END

Number of employees at the year end	<u>12</u>	<u>12</u>
Average number of employees during the year	<u>12</u>	<u>13</u>

19. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 5 October 2020 by the board of directors of the Association.

  
CHAIRMAN

  
Chief Executive