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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PUNJAB VOCATIONAL TRAINING COUNCIL

We have audited the accompanying financial statements of the Punjab Vocational Training Council, which comprise the balance sheet as at 30 June 2016, and the income and expenditure account, cash flow statement and statement of movement in fund balances for the year then ended, and a summary of significant accounting policies and other explanatory notes (here-in-after referred to as the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Punjab Vocational Training Council** as at **30 June 2016** and of its financial performance and its cash flows for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.


Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 03 May 2017

PUNAB VOCATIONAL TRAINING COUNCIL
BALANCE SHEET
AS AT 30 JUNE 2016

	Total	
Note	2016 Rupees	2015 Rupees
NON-CURRENT ASSETS		
Property and equipment	666,933,983	458,958,019
Long term deposits	2,243,477	1,526,647
	<u>669,177,460</u>	<u>460,484,666</u>
CURRENT ASSETS		
Fee income receivable	387,289,553	811,290,922
Advances	1,784,234	1,196,418
Short term prepayments	4,005,263	3,389,834
Interest accrued	19,515,521	29,763,451
Other receivables	8,759,463	6,800,233
Taxation - net	50,186,545	36,419,762
Short term investments	682,036,000	682,036,000
Cash and bank balances	2,180,332,181	2,063,015,374
	<u>3,333,908,760</u>	<u>3,633,911,994</u>
	<u>4,003,086,220</u>	<u>4,094,396,660</u>
TOTAL ASSETS		
FUND AND LIABILITIES		
Fund balance	1,869,952,243	1,469,092,463
Grant reestablishment / rehabilitation of VTIs	229,638,711	940,101,215
Deferred Government grants	2,099,590,954	2,409,193,678
	1,123,816,218	1,104,871,009
	<u>3,223,407,172</u>	<u>3,514,064,687</u>
NON-CURRENT LIABILITY		
Long term loan - secured	85,000,000	85,000,000
CURRENT LIABILITIES		
Trade and other payables	669,466,548	469,906,973
Short term loan	25,000,000	25,000,000
Interest accrued on long term loan	212,500	425,000
	<u>694,679,048</u>	<u>495,331,973</u>
	<u>4,003,086,220</u>	<u>4,094,396,660</u>
TOTAL FUND AND LIABILITIES		
CONTINGENCIES AND COMMITMENTS		

The annexed notes from 1 to 25 form an integral part of these financial statements.

Faisal Jit
(CHAIRMAN)

MJ
(MEMBER / SECRETARY)

PUNJAB VOCATIONAL TRAINING COUNCIL
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

Income	Note	Total	
		2016 Rupees	2015 Rupees
Tuition fee	17	2,307,708,713	1,101,044,099
Grants and donations	18	177,882,661	228,639,696
Return on saving accounts		81,161,428	55,334,726
Return on investments		48,434,134	67,344,797
Income from different projects		149,451,617*	-
Other income		16,852,566	11,036,173
		2,781,491,119	1,463,399,491
Expenditure		1,311,027,726	899,347,627
Salaries, wages and other benefits		16,506,859	10,913,452
Security expenses		38,351,926	52,313,324
Repairs and maintenance *		11,717,519	10,518,809
Conveyance		10,471,056	10,416,102
Petrol, oil and lubricants		13,282,954	10,092,980
Postage and telephone		39,010,960	30,748,323
Utilities		23,165,790	18,089,161
Printing and stationery		687,284	502,499
Newspapers, books and periodicals		23,363,698	18,214,884
Insurance		11,787,555	6,699,855
Publicity and advertisement		2,957,217	1,905,397
Entertainment expenses		8,559,183	5,620,592
Examination fee		515,000	1,067,656
Legal and professional charges		1,991,634	1,430,459
Office supplies		132,052,798	111,308,012
Depreciation	4.1	15,665,598	8,540,089
Rent, rates and taxes		2,542,600	2,300,000
Auditors' remuneration		21,000,432	11,737,109
Liveries and uniform		8,184,691	7,021,688
Training and teaching material		59,826,758	32,148,687
Laboratory consumables		1,041,390	180,000
Receivables written off		613,339,854	85,699,180
Provision for doubtful MOZU fee receivable		1,820,715	1,041,593
Bank charges		5,201,683	3,276,705
Miscellaneous		6,558,459	6,164,284
GIZ stipend		-	-
STTI charges		-	-
Supplies and services charges		-	-
Excess of income over expenditure / (expenditure over income)		2,380,631,339	1,347,298,467
		400,859,780	116,101,024

*These also include expenditure incurred on renovation of building for establishment of VTIs against which Grant in aid has been received from Planning & Development Department, Government of the Punjab.

The annexed notes from 1 to 25 form an integral part of these financial statements.


(CHAIRMAN)


(MEMBER / SECRETARY)

**PUNJAB VOCATIONAL TRAINING COUNCIL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	900,806,088	(30,461,404)
Finance cost paid	(2,033,215)	(829,093)
Interest received on saving accounts and investments	139,843,492	116,589,332
Income tax paid	(13,766,783)	(12,503,164)
Net cash from operating activities	<u>1,024,849,582</u>	<u>72,795,671</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(340,028,762)	(232,727,476)
Increase in long term deposits	(716,830)	(413,122)
Net cash used in investing activities	<u>(340,745,592)</u>	<u>(233,140,598)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Grant received / (utilized) for establishment / rehabilitation of VTIs	(566,787,183)	1,030,196,163
Net cash used in financing activity	(566,787,183)	1,030,196,163
Net (decrease)/increase in cash and cash equivalents	117,316,807	869,851,236
Cash and cash equivalents at the beginning of the year	2,063,015,374	1,193,164,138
Cash and cash equivalents at the end of the year	<u>2,180,332,181</u>	<u>2,063,015,374</u>

The annexed notes from 1 to 25 form an integral part of these financial statements.

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Arvind Jit
(CHAIRMAN)

M

(MEMBER / SECRETARY)

