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PUNJAB VOCATIONAL TRIANING COUNCIL

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021

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INDEPENDENT AUDITOR'S REPORT

TO CHAIRMAN OF PUNJAB VOCATIONAL TRAINING COUNCIL (THE COUNCIL)

Report on the Audit of Financial Statements as at 30 June 2021

Opinion

We have audited the accompanying financial statements of the **Punjab Vocational Training Council**, which comprise the statement of financial position as at **30 June 2021**, statement of income and expenditure, statement of comprehensive income, statement of movement in fund balance and 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 notes, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at **30 June 2021**, and its financial performance and cash flows for the year then ended in accordance with the approved accounting and reporting standards as applicable in Pakistan.

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 Council in accordance with the International Ethics Standards Board for *Accountants' Code of Ethics for Professional Accountants (IESBA Code)* as adopted by the Institute of Chartered Accountants of Pakistan, together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan and we have fulfilled our other ethical responsibilities under these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Our opinion covers the financial statements of the Council as a whole and accordingly we do not express assurance on any particular individual vocational training institute.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting standard adopted and approved by the Council. Approved accounting standards comprise of Accounting and Financial Reporting Standard for Non-Profit Organizations (NPO's) issued by the Institute of Chartered Accountants of 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.

In preparing the financial statements, management is responsible for assessing the Council'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 Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council'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, 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 Council'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 Council 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 those charged with governance 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.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Lahore: 28 November 2023

PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	VTI-173 Mailsi	Sub Total VTIs	PVTC Head Office	Total 2021	Total 2020
		Rupees	Rupees	Rupees	Rupees	Rupees
NON-CURRENT ASSETS						
Property and equipment	5	405,203	247,121,823	18,536,107	265,657,930	409,074,621
Long term deposits	6	-	1,573,319	1,124,670	2,697,989	2,754,239
Tax refunds due from government	7	-	-	-	-	100,657,221
		405,203	248,695,142	19,660,777	268,355,919	512,486,081
CURRENT ASSETS						
Fee income receivable / (payable)	8	289,092	107,044,604	(55,010,397)	52,034,207	364,918,332
Grant income receivable / (payable)	9	-	3,344,984	(3,344,984)	-	-
Advances	10	-	1,076,254	1,505,307	2,581,561	2,519,106
Short term prepayments		24,300	6,473,081	717,175	7,190,256	6,873,575
Interest accrued		33,409	9,715,625	12,194,129	21,909,754	43,308,317
Other receivables	11	-	6,499,546	1,679,717	8,179,263	5,525,283
Short term investments	12	-	-	952,036,000	952,036,000	972,036,000
Cash and bank balances	13	4,520,847	1,069,487,688	418,040,082	1,487,527,770	1,254,465,041
		4,867,648	1,203,641,782	1,327,817,029	2,531,458,811	2,649,645,654
TOTAL ASSETS		5,272,851	1,452,336,924	1,347,477,806	2,799,814,730	3,162,131,735
FUND AND LIABILITIES						
Fund balance - unrestricted		(15,135,447)	(1,203,984,913)	1,860,347,873	656,362,960	1,066,765,452
Grant for establishment / rehabilitation of VTIs - restricted	14	-	(7,472,641)	82,455,207	74,982,566	84,140,900
		(15,135,447)	(1,211,457,554)	1,942,803,080	731,345,526	1,150,906,352
Deferred Government grants - restricted	15	266,552	419,891,184	-	419,891,184	544,759,433
		(14,868,895)	(791,566,370)	1,942,803,080	1,151,236,710	1,695,665,785
NON-CURRENT LIABILITIES						
Long term loan - secured	16	-	-	85,000,000	85,000,000	85,000,000
Accumulated compensated absences		2,690,820	400,665,957	44,715,499	445,381,456	403,349,338
Staff retirement obligations - gratuity	17	4,814,158	391,486,414	139,918,023	531,404,437	475,677,579
		7,504,978	792,152,371	269,633,522	1,061,785,893	964,026,917
CURRENT LIABILITIES						
Trade and other payables	18	12,636,768	1,451,750,923	(890,171,296)	561,579,627	477,226,533
Short term loan	19	-	-	25,000,000	25,000,000	25,000,000
Interest accrued on long term loan		-	-	212,500	212,500	212,500
		12,636,768	1,451,750,923	(864,958,796)	586,792,127	502,439,033
TOTAL FUND AND LIABILITIES		5,272,851	1,452,336,924	1,347,477,806	2,799,814,730	3,162,131,735
CONTINGENCIES AND COMMITMENTS	20					

The annexed notes from 1 to 29 form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY

PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2021

	Note	VTI-169 Tarnol	VTI-172 Attock	VTI-173 Mailsi	Sub Total VTIs	PVTC Head office	Total 2021	Total 2020
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Income								
Tuition fee	21	-	4,126,500	5,058,000	845,551,689	-	845,551,689	865,988,920
Grants and donations	22	10,660,531	4,303,346	4,335,835	924,918,640	-	924,918,640	720,744,148
Return on saving accounts		32,833	182,159	2,170	24,338,821	25,990,116	50,328,937	99,119,894
Return on investments		-	-	137,175	137,175	75,164,639	75,301,814	107,676,406
Supplies & services charges written back / (provision for impairment)		-	60,898	34,000	16,397,760	(16,397,760)	-	-
Other income		-	19,846	52,176	8,667,744	3,610,789	12,278,533	6,224,936
		10,693,364	8,692,749	9,619,356	1,820,011,829	88,367,784	1,908,379,613	1,799,754,304
Expenditure								
Salaries, wages and other benefits		5,573,733	5,285,308	8,502,394	1,473,617,011	147,514,663	1,621,131,674	1,589,946,082
Security expenses		520,560	-	-	30,613,416	648,791	31,262,207	30,425,309
Repairs and maintenance		36,280	25,000	141,430	16,290,120	4,658,021	20,948,141	15,577,367
Conveyance		23,110	11,560	28,385	3,698,626	2,087,547	5,786,173	8,724,028
Petrol, oil and lubricants		12,050	22,865	4,850	4,174,629	5,853,919	10,028,548	10,388,327
Postage and telephone		66,989	57,617	25,690	8,439,624	3,690,527	12,130,151	11,935,979
Utilities		171,326	193,566	70,307	38,260,885	3,013,266	41,274,151	49,647,171
Printing and stationery		9,470	30,000	77,136	5,828,212	11,265,041	17,093,253	20,495,213
Newspapers, books and periodicals		-	18,000	20,000	1,074,249	43,810	1,118,059	865,305
Insurance		112,164	80,807	133,356	27,264,779	3,611,304	30,876,083	31,098,394
Publicity and advertisement		6,406	25,000	69,988	5,065,360	95,351	5,160,711	4,380,338
Entertainment expenses		6,679	9,000	9,595	1,451,011	198,318	1,649,329	1,589,262
Expenses specific to VTI		-	-	-	2,790,178	2,041,077	4,831,255	5,457,047
Legal and professional charges		-	-	-	3,020	1,078,465	1,081,485	119,508
Office supplies		4,820	10,000	19,960	1,889,904	205,346	2,095,250	1,477,457
Depreciation	5.1	1,260,340	1,263,988	334,620	146,820,756	19,089,192	165,909,948	192,313,189
Rent, rates and taxes		-	-	356,424	20,974,850	83,450	21,058,300	21,311,846
Auditor's remuneration		17,351	17,351	17,351	2,240,000	60,000	2,300,000	2,300,000
Liveries and uniform		-	-	-	5,849,020	9,654	5,858,674	4,168,656
Training and teaching material		14,938	29,809	56,042	8,083,782	-	8,083,782	6,033,800
Laboratory consumables		42,834	282,219	376,749	35,298,600	-	35,298,600	24,800,437
Receivables written off		-	-	-	-	-	-	-
Provision for receivables		31,500	608,977	340,000	163,442,650	-	163,442,650	855,125,067
Provision for tax refunds due from government		122,248	33,174	71,503	22,596,351	98,933,535	121,529,886	23,916,562
Bank charges		3,462	6,916	4,664	1,389,089	277,272	1,666,361	1,670,776
Miscellaneous		3,995	13,404	28,955	4,916,367	179,512	5,095,879	3,760,142
Training Fee to VTIs		-	-	-	-	25,253	25,253	-
Supplies and services charges		339,350	648,450	763,400	130,600,899	(130,600,899)	-	-
		8,379,605	8,673,011	11,452,799	2,162,673,388	174,062,415	2,336,735,803	2,917,527,262
Excess of (expenditure over income) / income over expenditure		2,313,759	19,738	(1,833,443)	(342,661,559)	(85,694,631)	(428,356,190)	(1,117,772,958)

The annexed notes from 1 to 29 form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY

PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	VTI-169	VTI-172	VTI-173			Total	
		Tarnol	Attock	Mailsi	SubTotal VTIs	PVTC Head office	2021	2020
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Excess of (expenditure over income) / income over expenditure		2,313,759	19,738	(1,833,443)	(342,661,559)	(85,694,631)	(428,356,190)	(1,117,772,958)
Other comprehensive income:								
Remeasurement adjustments relating to gratuity	17.5	(696,407)	2,507,138	(648,124)	64,290,379	(46,336,681)	17,953,698	29,635,296
Total other comprehensive income / (loss) for the year		1,617,352	2,526,876	(2,481,567)	(278,371,180)	(132,031,312)	(410,402,492)	(1,088,137,662)

The annexed notes from 1 to 29 form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY

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PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF MOVEMENT IN FUND BALANCE
FOR THE YEAR ENDED 30 JUNE 2021

	VTI-173 Mailsi	Sub Total VTIs	PVTC Head Office	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2019	(8,372,573)	148,090,651	2,006,812,463	2,154,903,114
Excess of (expenditure over income) / income over expenditure	(4,485,620)	(1,096,746,989)	(21,025,969)	(1,117,772,958)
Oher comprehensive income / (loss) for the year	204,313	23,042,605	6,592,691	29,635,296
Balance as at 01 July 2020	**(12,653,880)**	**(925,613,733)**	**1,992,379,185**	**1,066,765,452**
Excess of (expenditure over income) / income over expenditure	**(1,833,443)**	**(342,661,559)**	**(85,694,631)**	**(428,356,190)**
Oher comprehensive income / (loss) for the year	**(648,124)**	**64,290,379**	**(46,336,681)**	**17,953,698**
Balance as at 30 June 2021	**(15,135,447)**	**(1,203,984,913)**	**1,860,347,873**	**656,362,960**

The annexed notes from 1 to 29 form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY

PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations			
Finance cost paid	27	109,417,645	(418,881,373)
Interest received on saving accounts and investments		(1,666,361)	(1,670,776)
Gratuity paid		147,029,314	223,568,094
Income tax paid	17.2	(9,382,153)	(6,038,562)
Net cash flows used in from operating activities		(20,872,665)	(26,847,631)
	A	224,525,780	(229,870,248)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred			
Short term investments - net		(22,493,958)	(3,998,046)
Decrease / (increase) in long term deposits		20,000,000	110,000,000
Net cash generated from investing activities		56,250	(228,050)
	B	(2,437,708)	105,773,904
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received for establishment / rehabilitation of VTIs			
Net cash flows from financing activities		10,974,657	19,384,561
	C	10,974,657	19,384,561
Net decrease in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	A+B+C	233,062,729	(104,711,783)
Cash and cash equivalents at the end of the year		1,254,465,041	1,359,176,824
	13	1,487,527,770	1,254,465,041

The annexed notes from 1 to 29 form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY