

**PUNJAB VOCATIONAL
TRAINING COUNCIL**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

EY Ford Rhodes
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INDEPENDENT AUDITOR'S REPORT TO CHAIRMAN OF PUNJAB VOCATIONAL TRAINING COUNCIL (THE COUNCIL)

Opinion

We have audited the accompanying financial statements of the **Punjab Vocational Training Council**, which comprise the balance sheet as at **30 June 2017**, and the related income and expenditure account, statement of other comprehensive income, statement of movement in fund balance and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at **30 June 2017**, and its financial performance and its cash flows for the year then ended in accordance with approved accounting 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.

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 and Financial Reporting Standard for Medium-Sized Entities (MSEs) 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.

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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 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.
- 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 are required to 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.


Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: 01 October 2018

PUNJAB VOCATIONAL TRAINING COUNCIL
BALANCE SHEET
AS AT 30 JUNE 2017

	2017	2016
	Rupees	Rupees (Restated)
-----Total-----		
NON-CURRENT ASSETS		
Property and equipment	879,762,327	666,933,983
Long term deposits	2,506,007	2,243,477
	<u>882,268,334</u>	<u>669,177,460</u>
CURRENT ASSETS		
Fee income receivable	337,716,027	342,697,160
Grant income receivable	-	44,592,393
Advances	2,169,788	1,784,234
Short term prepayments	5,114,858	4,005,263
Interest accrued	31,146,738	19,515,521
Other receivables	5,999,549	8,759,463
Taxation - net	68,914,167	50,186,545
Short term investments	682,036,000	682,036,000
Cash and bank balances	4,305,254,054	2,180,332,181
	<u>5,438,351,181</u>	<u>3,333,908,760</u>
	<u>6,320,619,515</u>	<u>4,003,086,220</u>
TOTAL ASSETS		
FUND AND LIABILITIES		
Fund balance	3,566,690,083	1,534,361,096
Grant for establishment / rehabilitation of VTIs	88,964,788	229,638,711
Deferred Government grants	3,655,654,871	1,763,999,807
	<u>1,121,596,469</u>	<u>1,123,816,218</u>
	<u>4,777,251,340</u>	<u>2,887,816,025</u>
NON-CURRENT LIABILITY		
Long term loan - secured	85,000,000	85,000,000
Gratuity payable	396,561,805	335,591,147
CURRENT LIABILITIES		
Trade and other payables	1,036,381,370	669,466,548
Short term loan	25,000,000	25,000,000
Interest accrued on long term loan	425,000	212,500
	<u>1,061,806,370</u>	<u>694,679,048</u>
	<u>6,320,619,515</u>	<u>4,003,086,220</u>
TOTAL FUND AND LIABILITIES		
CONTINGENCIES AND COMMITMENTS		

The annexed notes from 1 to 27 form an integral part of these financial statements.


(CHAIRMAN)


(MEMBER / SECRETARY)

