CELEBRATING 50TH 1973 2023 ANNIVERSARY

MUNIFF ZIAUDDIN & CO.
Chartered Accountants

Member Firm of
BKR
INTERNATIONAL

INDEPENDENT AUDITOR'S REPORT
To the Chairman of Punjab Vocational Training Council

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Punjab Vocational Training Council (the Council), which comprise the statement of financial position as at June 30, 2022, and the statement of income and expenditure, the statement of other comprehensive income, the statement of movement in fund balance and 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 the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 30 June 2022, 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 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.

Responsibilities of Management and the Members 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.

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Those charge 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 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 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.

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We communicate with the management 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.

Other Matters

a) The annual financial statements of the Council for the year ended June 30, 2021 were audited by another firm of chartered accountants whose audit report dated ___________ expressed an unmodified opinion.

b) 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.

The engagement partner on the audit resulting in this independent auditor's report is Arqum Naveed.

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Chartered Accountants
Lahore
Date:
UDIN:
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PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	VTI-173 Mailsi	Sub Total VTIs	PVTC Head Office	Total 2022	Total 2021
		Rupees	Rupees	Rupees	Rupees	Rupees
NON-CURRENT ASSETS						
Property and equipment	5	112,913	168,760,084	33,671,088	**202,431,172**	265,657,930
Long term deposits	6	-	1,573,319	1,126,480	**2,699,799**	2,697,989
Tax refunds due from government	7	37,518	7,447,443	17,057,126	**24,504,569**	-
		150,431	177,780,846	51,854,694	**229,635,540**	268,355,919
CURRENT ASSETS						
Fee income receivable	8	15,500	83,210,946	(63,627,734)	**19,583,212**	52,034,207
Grant income receivable	9	289,500	8,650,734	(8,650,734)	**-**	-
Advances	10	-	1,626,902	9,971,369	**11,598,271**	2,581,561
Short term prepayments		34,778	7,542,304	1,411,620	**8,953,924**	7,190,256
Interest accrued		151,252	28,908,894	26,321,890	**55,230,784**	21,909,754
Other receivables	11	-	13,531,797	1,327,506	**14,859,303**	8,179,263
Short term investments	12	-	-	902,036,000	**902,036,000**	952,036,000
Cash and bank balances	13	3,294,792	721,725,534	476,203,183	**1,197,928,717**	1,487,527,770
		3,785,822	865,197,111	1,344,993,100	**2,210,190,211**	2,531,458,811
TOTAL ASSETS		3,936,253	1,042,977,957	1,396,847,794	**2,439,825,751**	2,799,814,730
FUND AND LIABILITIES						
Fund balance - unrestricted		(13,648,934)	(1,503,800,699)	1,984,330,203	**480,529,504**	656,362,960
Grant for establishment / rehabilitation of VTIs - restricted	14	-	(17,850,446)	82,110,443	**64,259,997**	74,982,566
		(13,648,934)	(1,521,651,145)	2,066,440,646	**544,789,501**	731,345,526
Deferred Government grants - restricted	15	126,000	344,361,056	-	**344,361,056**	419,891,184
		(13,522,934)	(1,177,290,089)	2,066,440,646	**889,150,557**	1,151,236,710
NON-CURRENT LIABILITIES						
Long term loan - secured	16	-	-	85,000,000	**85,000,000**	85,000,000
Accumulated compensated absences		2,690,820	419,956,665	53,470,712	**473,427,377**	445,381,456
Staff retirement obligations - gratuity	17	3,132,179	404,369,047	105,579,069	**509,948,116**	531,404,437
		5,822,999	824,325,712	244,049,781	**1,068,375,493**	1,061,785,893
CURRENT LIABILITIES						
Trade and other payables	18	11,636,188	1,395,942,334	(938,855,133)	**457,087,201**	561,579,627
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
		11,636,188	1,395,942,334	(913,642,633)	**482,299,701**	586,792,127
TOTAL FUND AND LIABILITIES		3,936,253	1,042,977,957	1,396,847,794	**2,439,825,751**	2,799,814,730
CONTINGENCIES AND COMMITMENTS	20					

The annexed notes from, 1 to 31, form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY

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PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2022

	Note	VTI-169 Tarnol	VTI-172 Attock	VTI-173 Mailsi	Sub Total VTIs	PVTC Head office	Total 2022	Total 2021
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Income								
Tuition fee	21	4,830,392	3,790,500	5,319,500	819,091,341	-	819,091,341	845,551,689
Grants and donations	22	3,932,844	5,054,231	5,716,571	999,887,142	-	999,887,142	924,918,640
Return on saving accounts		380,351	372,855	93,944	42,520,938	47,226,168	89,747,106	50,328,937
Return on investments		-	-	-	-	78,773,220	78,773,220	75,301,814
Supplies & services charges written back / (provision for impairment)		52,050	134,031	40,159	9,324,393	(9,324,393)	-	-
Other income		7,195	12,240	85,610	42,833,304	7,686,885	50,520,189	12,278,533
		9,202,832	9,363,857	11,255,784	1,913,657,118	124,361,880	2,038,018,998	1,908,379,613
Expenditure								
Salaries, wages and other benefits		6,361,582	5,876,632	6,270,036	1,475,316,302	163,032,241	1,638,348,543	1,621,131,674
Security expenses		495,771	527,998	-	37,193,983	995,976	38,189,959	31,262,207
Repairs and maintenance		10,390	60,000	244,936	22,304,450	5,601,418	27,905,868	20,948,141
Conveyance		17,970	10,560	38,300	5,039,164	3,738,658	8,777,822	5,786,173
Petrol, oil and lubricants		5,600	28,372	4,650	6,336,191	9,236,133	15,572,324	10,028,548
Postage and telephone		29,372	47,341	39,814	7,825,439	4,059,832	11,885,271	12,130,151
Utilities		232,302	331,764	236,607	65,201,312	3,715,197	68,916,509	41,274,151
Printing and stationery		10,132	54,768	107,270	6,842,536	7,155,472	13,998,008	17,093,253
Newspapers, books and periodicals		-	19,800	-	740,124	53,600	793,724	1,118,059
Insurance		67,958	109,183	222,237	36,376,906	4,394,384	40,771,290	30,876,083
Publicity and advertisement		-	29,975	69,652	6,435,524	33,582	6,469,106	5,160,711
Entertainment expenses		-	14,000	17,732	2,370,208	253,676	2,623,884	1,649,329
Expense specfic to VTI		-	-	-	-	2,940,198	2,940,198	4,831,255
Legal and professional charges		-	-	-	69,250	1,305,732	1,374,982	1,081,485
Office supplies		-	19,968	19,965	2,042,958	205,171	2,248,129	2,095,250
Depreciation	5.1	308,344	831,398	140,565	97,744,622	12,121,199	109,865,821	165,909,948
Rent, rates and taxes		-	-	388,500	22,489,280	14,588	22,503,868	21,058,300
Auditor's remuneration		10,448	10,448	10,448	1,347,821	60,000	1,407,821	2,300,000
Liveries and uniform		-	4,140	38,025	5,891,482	9,950	5,901,432	5,858,674
Training and teaching material		1,677	39,519	72,093	9,625,212	-	9,625,212	8,083,782
Laboratory consumables		106,385	300,499	393,620	48,343,254	-	48,343,254	35,298,600
Provision for receivables		520,500	1,340,310	401,592	93,481,061	-	93,481,061	163,442,650
Provision for tax refunds due from government		-	-	-	-	-	-	121,529,886
Bank charges		-	3,921	5,801	1,644,334	302,018	1,946,352	1,666,361
Miscellaneous		2,629	7,769	36,615	5,143,645	253,799	5,397,444	5,095,879
Training Fee to VTIs		-	-	-	121,158	-	121,158	25,253
STTI charges		-	-	-	-	84,750	84,750	-
Supplies and services charges		362,450	762,300	1,050,450	160,463,888	(160,463,888)	-	-
		8,543,510	10,430,665	9,808,908	2,120,390,104	59,103,686	2,179,493,790	2,336,735,803
Excess of (expenditure over income) / income over expenditure		659,322	(1,066,808)	1,446,876	(206,732,986)	65,258,194	(141,474,792)	(428,356,190)

The annexed notes from, 1 to 31, form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY

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PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	VTI-169 Tarnol	VTI-172 Attock	VTI-173 Mailsi	Sub Total VTIs	PVTC Head office	Total 2022	Total 2021
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Excess of (expenditure over income) / income over expenditure		659,322	(1,066,808)	1,446,876	(206,732,986)	65,258,194	**(141,474,792)**	(428,356,190)
Other comprehensive income / (loss):								
Items that may be subsequently reclassified to profit or loss		-						
Items that will not be subsequently reclassified to profit or loss:		-	-	-	-	-	-	-
Remeasurement gain / (loss) on defined benefit obligation	17.5	2,204,742	(2,412,625)	39,637	(93,082,800)	58,724,136	**(34,358,664)**	17,953,698
Total other comprehensive income / (loss) for the year		2,864,064	(3,479,433)	1,486,513	(299,815,786)	123,982,330	**(175,833,456)**	(410,402,492)

The annexed notes from, 1 to 31, form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY

PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF MOVEMENT IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

	VTI-173			
	Mailsi	Sub Total VTIs	PVTC Head Office	Total
	Rupees	Rupees	Rupees	Rupees
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)
Other comprehensive income / (loss) for the year	(648,124)	64,290,379	(46,336,681)	17,953,698
Balance as at 01 July 2021	**(15,135,447)**	**(1,203,984,913)**	**1,860,347,873**	**656,362,960**
Excess of (expenditure over income) / income over expenditure	1,446,876	(206,732,986)	65,258,194	(141,474,792)
Other comprehensive income / (loss) for the year	39,637	(93,082,800)	58,724,136	(34,358,664)
Balance as at 30 June 2022	**(13,648,934)**	**(1,503,800,699)**	**1,984,330,203**	**480,529,504**

The annexed notes from, 1 to 31, form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY

PUNJAB VOCATIONAL TRAINING COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	27	(371,738,175)	109,416,944
Finance cost paid		(1,946,352)	(1,666,361)
Interest received on saving accounts and investments		135,199,296	147,029,314
Gratuity paid	17.2	(40,614,592)	(9,382,153)
Income tax paid		(24,504,569)	(20,872,665)
Net cash flows used in from operating activities	A	(303,604,392)	224,525,079
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(46,639,063)	(22,493,257)
Short term investments - net		50,000,000	20,000,000
Decrease / (increase) in long term deposits		(1,810)	56,250
Net cash generated from investing activities	B	3,359,127	(2,437,007)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grant received for establishment / rehabilitation of VTIs		10,646,212	10,974,657
Net cash flows from financing activities	C	10,646,212	10,974,657
Net decrease in cash and cash equivalents	A+B+C	(289,599,053)	233,062,729
Cash and cash equivalents at the beginning of the year		1,487,527,770	1,254,465,041
Cash and cash equivalents at the end of the year	13	1,197,928,717	1,487,527,770

The annexed notes from, 1 to 31, form an integral part of these financial statements.

CHAIRMAN

MEMBER / SECRETARY