

**« EDUCATION FOR EMPLOYMENT -
E.F.E TUNISIE »
AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2021**

SUMMARY

- General report
- Financial statements as of December 31, 2021

« EDUCATION FOR EMPLOYMENT - E.F.E TUNISIE »

46 rue Socrate Zone d'activités Kheireddine 2015-
El Kram – Tunis

AUDITORS' GENERAL REPORT Year ended December 31st, 2021

To the members of the Board of Directors of the Association Education For Employment- E.F.E Tunisia.

I. Report on the Financial Statements

Opinion

We have audited the financial statements of the association Education For Employment- E.F.E Tunisia, which comprise the balance sheet as at December 31, 2021 show a total of **4 695 779** TND, and the income statement show a deficit of **167 479** TND, and cash-flow statement for the year ended that date, showing positive cash flow at the end of the period of **3 928 893**TND, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Association are prepared, in all material respects, in accordance with the accounting system of enterprises in Tunisia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) applicable in Tunisia. 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Tunisia, and we have fulfilled our other responsibilities in accordance with these requirements. 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 of the financial statements in with the accounting system of enterprises in Tunisia 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association'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 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 based on 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 Association's internal control.
- ✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ✓ We conclude on the appropriateness of management's use of the going concern principle and, based on the obtained audit evidence, on whether there is a significant uncertainty related to events or situations likely to make a significant doubt on the company's ability to continue operating. If we conclude that there is a significant uncertainty, then we will be required to grab the attention of the readers of our report on the information provided in the financial statements in order to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. Future events or situations could also force the Company to stop operating.
- ✓ 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.
- ✓ Communicate to those responsible of governance the expected scope and timing of the audit work and our material findings, including any significant deficiency in the internal control we may have identified during our audit.

II. Report on other legal and regulatory requirements

As part of our statutory audit mission, we also carried out the specific verifications required by the regulatory texts in force in this area.

In accordance with the provisions of Article 40 of Legislative Decree No. 2011-88 of 24 September 2011, we note that the information given in the registers prepared by the association for the year 2021 are updated.

The registers are :

- ✓ The register of members;
- ✓ The register of the deliberations of the management bodies.
- ✓ The register of activities and projects;
- ✓ The register of donations.

Based on our review, we have no further observations to make as a result of these verifications.

Le commissaire aux Comptes

Cabinet MS Louzir - DTTL Member

Mohamed LOUZIR

Date , july , 2022

EDUCATION FOR EMPLOYEMENT

46 rue Socrate Zone d'activités kheiredine 2015
El Kram - Tunis

**FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021**

SUMMARY

- Statement of Financial Position as of December 31, 2021
- Statement of revenues and expenses as at December 31, 2021
- Statement of cash flow as at 31 December 2021
- Notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

Expressed in TND

ASSETS	Notes	31-déc-21	31-déc-20
ASSETS			
Cash and cash equivalents	2.1.1	3 953 759	1 448 088
Other current assets	2.1.2	488 192	31 062
Financial fixed assets		121 700	20 404
Tangible Fixed Assets	2.1.3	123 400	112 276
Intangible Fixed Assets	2.1.4	8 728	13 817
Total assets		4 695 779	1 625 647
LIABILITIES			
Bank loans and other financial liabilities (découvert)	2.2.1	24 866	11 795
Other current liabilities	2.2.2	3 757 274	410 102
Suppliers	2.2.3	188 340	310 972
Provision		14 592	14 592
Total Liabilities		3 985 073	747 462
ACTIFS NETS			
Surplus or Deficit deferred	2.3	878 186	906 758
Surplus or deficit of the year	2.3	<167 479>	<28 572>
Total NET ASSETS		710 706	878 186
TOTAL LIABILITIES AND NET ASSETS		4 695 779	1 625 647

**Statement of revenue and expenses
as at December 2021 (Expressed in Dinars)**

	Notes	31-déc-21	31-déc-20
<u>OPERATING INCOME</u>			
Operating Grants	3.1.1	2 869 728	2 439 129
Other earnings	3.1.2	72 163	8
Total income		2 941 890	2 439 137
<u>EXPENSES</u>			
Purchases of consumed Supplies	3.2.1.1	179 505	53 444
Staff Expenses	3.2.1.2	1 447 814	1 001 236
Depreciation and provisions		157 799	167 970
Other current expenses	3.2.1.3	1 324 272	1 243 732
Net financial expense		10	1 113
Other losses		<31>	215
TOTAL EXPENSES		3 109 370	2 467 710
Excess of income over expenses for the year		<167 479>	<28 572>

**Cash Flow Statement
(Expressed in Dinars)**

	31-déc-21	31-déc-20
<u>Cash Flow from Operating Activities</u>		
Receipts of income from activities and events		
Receipts of operating grants	5 589 844	2 439 129
Receipts of other income and contributions	-	21 353
Disbursement of amounts paid to suppliers	<1 640 207>	<1 406 448>
Disbursement of salaries paid to staff	<729 206>	-492 804
Other disbursements from current activities	<627 830>	<428 945>
Other disbursements (Cash)	-	-
Cash Flow from Operating Activities	2 592 601	132 286
<u>Cash Flow from Investing Activities</u>		
Payments for acquisitions of Financial Fixed Assets	<100 000>	-
Payments for acquisitions of Tangible and Intangible Fixed Assets		
Receipts on disposal of tangible and intangible assets		
Cash Flow from Investing Activities	<100 000>	-
<u>Cash Flow from Financing Activities</u>		
Cash Flow from Financing Activities	-	-
Treasury Variance	2 492 601	132 286
Cash at the beginning of the year	1 436 292	1 304 006
Cash at closing	3 928 893	1 436 292

**NOTES TO THE FINANCIAL STATEMENTS AS
AT 31 DECEMBER 2021**

<p>NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021</p>
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(Figures in Tunisian Dinars)

NOTE 1- APPLIED ACCOUNTING PRINCIPLELS

1-1- Presentation of accounts and the financial statements:

EDUCATION FOR EMPLOYMENT Foundation financial statements as at 31 December 2021 were prepared in accordance with accounting hypothesis and conventions provided by the corporate accounting system of 1996.

The income and cash flow statements are presented in accordance with the authorized model. 1-2-

Accounting System:

EDUCATION FOR EMPLOYMENT Foundation accounting system are presented as follows:

The accounting records are kept on PC computer and on the foundation's local server. The input is carried out directly on accounting documents.

The accounting software currently in place allows for the preparation of the general subsidiary ledger, auxiliary trial balance and General ledger trial balance.

1-3- Applied Accounting Principles:

The most significant Accounting principles and methods applied by **EDUCATION FOR EMPLOYMENT Foundation** for the preparation of its financial statements are as follows:

1-3-1- Recognition of tangible and intangible fixed assets:

Tangible and intangible fixed assets are recognized at their acquisition costs including VAT and handling charges incurred directly for their acquisition costs and their put into service. They are depreciated on a straight-line basis based on the following rates:

Material and tools	15%
Telephone Equipment	20%
Design, Fittings and installations	10%
Office Equipment	20%
Computer Equipment	33,33%

1-3-2- Monetary Unit :

EDUCATION FOR EMPLOYEMENT Foundation accounts are presented in Tunisian dinars.

1-3-3- Going Concern:

The financial statements as at 31 December 2021 are prepared with going concern perspective.

NOTE 2- INFORMATION AS REGARDS THE STATEMENT OF FINANCIAL POSITION

2-1 Assets

2-1.1 Cash and Cash equivalents:

This caption totaled 3 953 759 TND as at 31/12/2021 detailed as follows:

	<u>2021</u>	<u>2020</u>
BIAT E.F.E TN	30 672	239 533
BIAT DROSOS	30 731	195 570
BIAT MEPI	1 371	1 371
BIAT NEAAC ZARZIS	3 863	0
BIAT EFE CITI	41 911	56 465
BIAT EFE MEPI ALGERIE	18 902	18 974
BIAT EFE GIZ	2 982 349	0
CASH EFE	701	382
CASH ZARZIS	538	0
BIAT EFE JOBS	69 807	307 089
BIAT EFE HIVOS	451 929	481 464
BIAT EFE ORANGE	67 837	51 688
BIAT EFE STEP	253 150	95 552
	3 953 759	1 448 088

2-1.2 Other Current Assets:

Other current assets totaled 488 192 TND as at 31/12/2021 detailed as follows:

	<u>2021</u>	<u>2020</u>
Royalties on salaries	49	49
Loan Salaries	16 700	0
Various Debtors	2 093	36 623
Accrued Expenses	2 600	4 226
Suspense Acts	2 064	2 064
Withholding/sales	4 397	4 397
Receivable product *	476 141	9 314
VAT	233 774	117 359
Provision for impairment VAT	-233 774	-117 359
Provision for other impairment	-15 854	-25 612
	488 192	31 062

* The receivable income detailed as follows:

<u>Project</u>	<u>Receivable income</u>
NEA	87 260
USAID Jobs	204 204
Hivos	108 078
Droses	67 285
GIZ	0
Step	0
CITI	0
DRC	0
Orange	0
Receivable income (Others)	9 314
Total	476 141

2-1.3 Tangible Fixed Assets:

The net value disclosed in the balance sheet corresponds to the acquisition value of the foundation's fixed assets elements totaling 306.530 TND reduced by the accumulated depreciation totaling 183 130 TND as at 31 December 2021.

Acquisitions are recognized at the purchase cost including VAT.

The Depreciation table is presented under appendix I. It traces the development of its components.

2-1.4 Intangible Fixed Assets:

The net value disclosed in the balance sheet corresponds to the acquisition value of the foundation's fixed assets elements totaling 108.102 TND reduced by the accumulated depreciation totaling 99 374 TND as at 31 December 2021.

Acquisitions are recognized at the purchase cost including VAT.

The Depreciation table is presented under appendix I. It traces the development of its components.

2-2 Liabilities

2-2.1 Bank loans and other financial liabilities:

This account totaled 24 866 TND as at 31/12/2021 and detailed as follows:

	<u>2021</u>	<u>2020</u>
BIAT EFE NEAAC	23 127	10 070
BIAT EFE ACCENTURE	148	206
BIAT EFE OSF	1 591	1 520
Total	24 866	11 795

2-2.2 Other Current Liabilities:

Other current liabilities totaled 3 757 274 TND detailed as follows as at 31/12/2021:

	<u>2021</u>	<u>2020</u>
Withholding tax 1.5 %	1 755	1 098
Withholding tax 15%	10 329	3 947
Withholding tax 5%	4 925	3 521
Withholding tax 10%	7 039	0
Withholding tax 10% (on Rent)	420	0
Due taxes and Duties	6 063	63 614
CNSS	86 189	59 494
CNRPS	41 188	12 498
Provision for paid vacation	178 016	145 815
Provision for Bonus	95 544	0
Accrued Expenses	106 445	117 957
Due salaries	1 563	563
Other Creditors	30 855	1 595
Deferred income *	3 186 943	0
Total	3 757 274	410 102

The deferred income detailed as follows :

<u>Project</u>	<u>Deferred income</u>
Step	107 262
CITI	74 142
DRC	38 559
Orange	13 613
GIZ	2 953 367
NEA	0
USAID Jobs	0
Hivos	0
Droses	0
Total	3 186 943

2-2.3 Suppliers :

This account totaled 188 340 TND as at 31/12/2021 detailed as follows:

	<u>2021</u>	<u>2020</u>
Suppliers – Purchases of goods / services	213 490	335 632
Suppliers – Invoices not issued	-1150	-660
Suppliers – Advance	-42 764	-42 764
Suppliers – Depreciation	18 764	18 764
Total	188 340	310 972

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Notes to the financial statements as at December 31, 2021

2-3 Net Assets

The difference between income and expenditure for the year resulted in a surplus of deficit – 167 479 TD, this surplus was added to the surplus from previous years of 878 186 TD:

	Allocation	Contributions allocated to fixed assets	Investment grants	Other net assets	Reserve	Surplus or Deficit deferred	Surplus or deficit of the year	Total
<i>Balance as of December 31, 2020</i>	-	-	-	-	-	906 758	<28 572>	878 186
<i>Contributions received as grants</i>	-	-	-	-	-	-	-	-
<i>Contributions allocated to fixed assets</i>	-	-	-	-	-	-	-	-
<i>Investment grants</i>	-	-	-	-	-	-	-	-
<i>Resorption of contributions allocated to fixed assets</i>	-	-	-	-	-	-	-	-
<i>Absorption of investment subsidies</i>	-	-	-	-	-	-	-	-
<i>Other net assets</i>	-	-	-	-	-	-	-	-
<i>Allocation of the surplus from the previous year</i>	-	-	-	-	-	<28 572>	28 572	-
<i>Surplus for the year</i>							<167 479>	<167 479>
<i>Balance as of December 31, 2021</i>	-	-	-	-	-	878 186	<167 479>	710 707

NOTE 3- INFORMATION AS REGARDS THE INCOME STATEMENT

3.1 Operating Income

3-1.1 Revenues

	<u>2021</u>	<u>2020</u>
Subsidy DROSOS	67 285	260 796
Subsidy DRC	74 981	0
Subsidy GIZ	30 565	0
Subsidy NEA	926 872	697 497
Subsidy CITI	164 648	56 280
Subsidy ORANGE	70 650	81 172
Subsidy HIVOS	399 048	481 500
Subsidy JOBS	848 460	861 884
Subsidy STEP	287 219	0
Total	2 869 728	2 439 129

3-1.2 Other Earnings

	<u>2021</u>	<u>2020</u>
<i>Contributions</i>	72 163	8
Total	72 163	8

3.2 Expenses

3-2.1 Operating Expenses:

		<u>2021</u>	<u>2020</u>
Purchases of consumed supplies	<i>3.2.1.1</i>	179 505	53 444
Staff Expenses	<i>3.2.1.2</i>	1 447 814	1 001 236
Depreciation & provisions Allowances		157 799	167 970
Other operating expenses	<i>3.2.1.3</i>	1 324 272	1 243 732
Total		3 109 390	2 466 382

3-2.1.1 Purchases of consumed supplies:

	<u>2021</u>	<u>2020</u>
Purchase of studies and services	112 663	2 573
Purchase not in inventory supplies /training	1 201	7 547
Fuel	2 155	0
Purchase not in inventory supplies	9 888	0
Water	169	139
Electricity	6 929	14 504
Office Supplies	46 501	28 681
Total	179 505	53 444

3-2.1.2 Staff Expenses:

	<u>2021</u>	<u>2020</u>
Salaries	1 192 097	817 981
Paid vacation	32 201	124 062
Social Contribution	194 691	128 526
Workmen's compensation	4 093	13 179
Training fees	8 500	2 250
Reversal/Provisions for personal expenses	0	<84 154>
Others benefits	16 232	<609>
Total	1 447 814	1 001 236

3-2.1.3 Other Operating Expenses:

	<u>2021</u>	<u>2020</u>
Fees and Training Expenses	824 054	787 073
Receptions	77 577	192 188
Travels	59 315	35 940
Rent head office E.F. E	119 470	72 274
Lodging on missions	22 345	31 470
Transportation of candidates and Trainers	7 911	7 230
Telecom Charges	39 202	24 289
Adverts/Events	85 840	7 650
ADSL charges	572	4 611
Various Rent	6 042	6 138
Car Rentals	13 157	10 965
FOPROLOS	12 687	9 420
Courses charges	3 172	3 675
Bank commissions	5 708	3 619
Repairs and maintenance	38 155	31 320
Taxi charges	3 606	1 851
Other	5 459	14 020
Total	1 324 272	1 243 732

NOTE 4- INFORMATION AS REGARDS CASH FLOW STATEMENT

The cash flow statement gave rise to a negative variance of 2 492 601 TND as at 31 December 2021 detailed as follows:

Cash Flow from Operating for 2 592 601 TND

Cash Flow from Investing is -100 000 TND

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NOTE 5- NOTE ON EVENTS AND MANIFESTATIONS ORGANIZED

	Event 1: • NEA Lancement officiel du bureau du sud (janvier 2021)	Event 2: • Drosos : Webinaire de Clôture du projet Drosos (Février 2021)	Event 3: • Citi 7 : Webinaire de Clôture du projet CITI 7 (Février 2021)	Event 4:• Hivos Greenworks : Job Fair avec le centre de formation professionnelle Cité El Khadra Mars 2021 (Mars 2021)	Event 5:• NEA : Le bureau du sud a organisé un job Fair avec le centre de formation professionnelle de Médenine
<u>Reciepts</u>					
*Taxes	- TND	- TND	- TND	- TND	- TND
*Sponsoring/Grant	13 209,760 TND	18 345,226 TND	22 335,369 TND	23 099,060 TND	4 569,018 TND
*Sales	- TND	- TND	- TND	- TND	- TND
Total Reciepts	13 209,760 TND	18 345,226 TND	22 335,369 TND	23 099,060 TND	4 569,018 TND
<u>Expenses</u>					
MEDIANET	8 449,600 TND				
* Communication : EXPRESS FM	4 760,160 TND				
GRADUATION CEREMONY		18 345,226 TND	22 335,369 TND		
OUTREACH COSTS				23 099,060 TND	
JOB FAIR					4 569,018 TND
* Consulting Fees					
Total	13 209,760 TND	18 345,226 TND	22 335,369 TND	23 099,060 TND	4 569,018 TND
Surplus / Deficit	- TND	- TND	- TND	- TND	- TND

NOTE 6- NOTE ON THE BUDGET

Postulate from start: All projects are marked by an overlap over the calendar year, a linear prorating work has been done to reflect the N and N + 1 budget over the calendar year assuming that the activities are also carried out at a linear pace over the year:

Rubriques	Budget N+1	Budget N	Réalisations N	Ecart N	Explications
USAID JOBS	1 096 699 TND	3 004 993 TND	848 460 TND	2 156 533 TND	The USAID project actually started in September 2020, the activities took place during the first and second year of the project. The USAID Jobs project strategy was approved in February 2020. The project will end in September 2022. Reporting and closing formalities will run until December 2022.
CITI	177 609 TND	237 561 TND	164 648 TND	72 913 TND	the CITI 9 project started in February 2022 and is scheduled for implementation until November 2022
DRC	0 TND	113 540 TND	81 106 TND	32 434 TND	the project was completed in December 31, 2021. It was spread over three months
DROSOS	0 TND	437 323 TND	67 282 TND	370 041 TND	Drosos remaining funds have been used to cover (1) closure project fees, (2) Capital increase for EFE Tunisie Academy
GIZ	1 697 197 TND	0 TND	30 565 TND	-30 565 TND	The implementation of the GIZ-funded Digital Works project took a start-up pace from the last quarter of 2021 and really started in 2022
HIVOS	874 102 TND	823 872 TND	399 048 TND	424 824 TND	the project benefited from a cost-free extension that considered Covid19-related interruptions to take end in December 2022

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the project will end in July 2022 and has benefited from a cost-free extension that will complement the activities related to the incubator launched in Zarzis through the southern office of EFE Tunisia

NEAAC	1 432 860 TND	181 170 TND	926 872 TND	-745 702 TND	
ORANGE	46 688 TND	46 688 TND	70 650 TND	-23 962 TND	the objectives of the project are achieved. There are still the activities to be defined with the funder and carried out over the rest of 2022 for a better allocation of the remaining funds.
STEP	309 205 TND	457 417 TND	287 213 TND	170 204 TND	The project started in October 2020 and activities started in early 2020, the STEP project ends in June 2022 and has benefited from a cost-free extension until that date to complement the planned activities.
Mc Kinsey	369 771 TND	0 TND	0 TND	0 TND	The implementation of the ANETI technical assistance project started in 2022.
CRDF Fellowship program	41 508 TND	0 TND	0 TND	0 TND	it is a program that started in January 2022 with EFE US and will span 28 months
	6 045 639 TND	5 302 564 TND	2 875 843 TND	2 256 516 TND	

TABLE OF INTANGIBLE AND TANGIBLE FIXED ASSETS AND AMORTIZATION AT 31/12/2021							
DESIGNATION	FIXED ASSETS – GROSS VALUES			DEPRECIATION			NET VALUES
	31/12/2020	ACQUISIT ^o .	31/12/2021	31/12/2020	DOTATION	31/12/2021	31/12/2021
INTANGIBLE FIXED ASSETS							
Software	100 682	0	100 682	86 865	5 089	91 954	8 728
Site Web EFE	7 420	0	7 420	7 420	0	7 420	0
Total Intangible Fixed Assets	108 102	0	108 102	94 285	5 089	99 374	8 728
TANGIBLE FIXED ASSETS							
Computer Equipment	198 474	4 225	202 699	103 671	23 376	127 047	75 652
Office Equipment	32 829	32 051	64 880	30 201	4 141	34 343	30 537
Fittings, Design and Installations & Function Facilities	24681	5 498	30 179	13 717	1 918	15 635	14 544
Telephone Equipment	8772	0	8 772	4 891	1 214	6 105	2 667
Tangible Fixed Assets In Progress							
Total Tangible Fixed Assets	264 756	41 773	306 530	152 480	30 650	183 130	123 400
GRAND TOTAL	372 858	41 773	414 632	246 766	35 739	282 504	132 128