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EDUCATION FOR EMPLOYMENT - E.F.E TUNISIE

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

AUDITORS' REPORT

YEAR ENDED DECEMBER 31,2022

SUMMARY

- General report
- Financial statements as of December 31, 2022

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

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

AUDITORS' GENERAL REPORT Year ended December 31st, 2022

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, 2022 show a total of **2.802.834 TND**, and the income statement show a benefit of **217.375 TND**, and cash-flow statement for the year ended that date, showing positive cash flow at the end of the period of **1.624.652 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 draw 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 2022 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.

Tunis, September 19, 2023

The statutory auditor

Cabinet MS Louzir – Entité du réseau de DTTL

Jaouhar Ben Zid



EDUCATION FOR EMPLOYEMENT

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

**FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2022**

SUMMARY

- Statement of Financial Position as of December 31, 2022
- Statement of revenues and expenses as at December 31, 2022
- Statement of cash flow as at 31 December 2022
- Notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

Expressed in TND

ASSETS	Notes	31-déc-22	31-déc-21
ASSETS			
Cash and cash equivalents	2.1.1	1 617 554	3 953 759
Other current assets	2.1.2	786 334	488 192
Receivables and related accounts		28 959	-
Financial fixed assets		221 700	121 700
Tangible Fixed Assets	2.1.3	143 921	123 400
Intangible Fixed Assets	2.1.4	4 365	8 728
Total assets		2 802 834	4 695 779
LIABILITIES			
Bank loans and other financial liabilities	2.2.1	7 098	24 866
Other current liabilities	2.2.2	1 557 293	3 757 274
Suppliers	2.2.3	295 769	188 340
Provision		14 592	14 592
Total Liabilities		1 874 753	3 985 073
ACTIFS NETS			
Surplus or Deficit deferred	2.3	710 706	878 186
Surplus or deficit of the year	2.3	217 375	-167 479
Total NET ASSETS		928 081	710 706
TOTAL LIABILITIES AND NET ASSETS		2 802 834	4 695 779

**Statement of revenue and expenses
as at December 2022
(Expressed in Dinars)**

	Notes	31-déc-22	31-déc-21
<u>OPERATING INCOME</u>			
Operating Grants	3.1.1	6 332 688	2 869 727
Other earnings	3.1.2	9 233	72 163
Total income		6 341 921	2 941 890
<u>EXPENSES</u>			
Purchases of consumed Supplies	3.2.1.1	2 387 996	179 505
Staff Expenses	3.2.1.2	1 324 779	1 447 814
Depreciation and provisions		348 428	157 799
Other current expenses	3.2.1.3	1 970 411	1 324 272
Net financial expense		-	10
Other losses		92 932	<31>
TOTAL EXPENSES		6 124 546	3 109 369
Excess of income over expenses for the year		217 375	<167 479>

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

	31-déc-22	31-déc-21
<u>Cash Flow from Operating Activities</u>		
Receipts of income from activities and events	122 412	
Receipts of operating grants	3 801 877	5 589 844
Receipts of other income and contributions	-	-
Disbursement of amounts paid to suppliers	<4 097 270 >	<1 640 207>
Disbursement of salaries paid to staff	< 822 153>	<729 206>
Other disbursements from current activities	< 855 819>	<627 830>
Other disbursements (Cash)	-	-
Cash Flow from Operating Activities	< 1 850 954>	2 592 601
<u>Cash Flow from Investing Activities</u>		
Payments for acquisitions of Financial Fixed Assets	<100 000>	<100 000>
Payments for acquisitions of Tangible and Intangible Fixed Assets	<366 515>	
Receipts on disposal of tangible and intangible assets		
Cash Flow from Investing Activities	<466 515>	<100 000>
<u>Cash Flow from Financing Activities</u>		
Cash Flow from Financing Activities	-	-
Treasury Variance	<2 304 241>	2 492 601
Cash at the beginning of the year	3 928 893	1 436 292
Cash at closing	1 624 652	3 928 893

**NOTES TO THE FINANCIAL STATEMENTS AS
AT 31 DECEMBER 2022**

**NOTES TO THE FINANCIAL STATEMENTS AS
AT 31 DECEMBER 2022**

(Figures in Tunisian Dinars)

NOTE 1- APPLIED ACCOUNTING PRINCIPLES

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

EDUCATION FOR EMPLOYEMENT Foundation financial statements as at 31 December 2022 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 EMPLOYEMENT 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 EMPLOYEMENT 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 2022 are prepared with going concern perspective.

EDUCATION FOR EMPLOYEMENT

Notes to the financial statements as at December 31, 2022

NOTE 2- INFORMATION AS REGARDS THE STATEMENT OF FINANCIAL POSITION

2-1 Assets

2-1.1 Cash and Cash equivalents:

This caption totaled 1 617 554 TND as at 31/12/2022 detailed as follows:

	<u>2022</u>	<u>2021</u>
BIAT GIZ	881 434	2 982 349
BIAT EFE STEP	385	253 150
BIAT EFE FAST	334 302	-
BIAT E.F.E TN	10 839	30 672
BIAT DROSOS	-	30 731
BIAT MEPI	1 353	1 371
BIAT EFE CITI	40 159	41 911
BIAT EFE MEPI ALGERIE	18 827	18 902
CASH EFE	31	701
CASH ZARZIS	-	538
CASH FORMATION	273	-
BIAT EFE JOBS	162 508	69 807
BIAT EFE ORANGE	23 134	67 837
BIAT EFE HIVOSS	106 008	451 929
BIAT EFE NEAAC ZARZIS	-	3 863
BIAT EFE NEA	3 021	-
BIAT EFE MCKINSEY	35 278	-
Total	1 617 554	3 953 759

2-1.2 Other Current Assets:

Other current assets totaled 786.334 TND as at 31/12/2022 detailed as follows:

	<u>2022</u>	<u>2021</u>
Royalties on salaries	49	49
Loan Salaries	1 420	16 700
Various Debtors	2 093	2 093
Accrued Expenses assets	2 769	2 600
Impot	18 717	-
Suspense Acts	2 064	2 064
Withholding/sales	4 417	4 397
Receivable product	772 722	476 141
VAT	500 749	233 774
Provision for impairment VAT	<500 749>	<233 774>
Provision for other impairment	<17 918>	<15 854>
Total	786 334	488 191

* The receivable income detailed as follows:

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Notes to the financial statements as at December 31, 2022

<u>Project</u>	<u>Receivable income</u>
Hivos	597 165
MCKINSEY	166 243
Receivable income (Others)	9314
Total	772 722

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 370.008 TND reduced by the accumulated depreciation totaling 226.086 TND as at 31 December 2022.

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 103.737 TND as at 31 December 2022.

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 7 098 TND as at 31/12/2022 and detailed as follows:

	<u>2022</u>	<u>2021</u>
BIAT EFE NEAAC	-	23 127
BIAT EFE ACCENTURE	148	148
BIAT EFE OSF	1 666	1 591
BIAT DROSOS	5 274	-
BIAT NEAAC ZARZIS	11	-
Total	7 098	24 866

EDUCATION FOR EMPLOYEMENT

Notes to the financial statements as at December 31, 2022

2-2.2 Other Current Liabilities:

Other current liabilities totaled 1.557.293TND detailed as follows as at 31/12/2022:

	<u>2022</u>	<u>2021</u>
Withholding tax 1,5%	4 758	1 755
Withholding tax 15%	24 355	10 329
Withholding tax 5%	8 579	4 925
Withholding tax 10%	7 039	7 039
Withholding tax 10% (on Rent)	420	420
Due taxes and Duties	17 798	6 063
CNSS	74 390	86 189
CNRPS	75 994	41 188
Provision for paid vacation	44 452	178 016
Provision for Bonus	29 268	95 544
Accrued Expenses	132 262	106 445
Due salaries	17 357	1 563
Other Creditors	2 793	30 855
Deferred income *	1 070 698	3 186 943
Withholding tax CSS	1 858	-
Withholding tax/SALARIES	45 271	-
Total	1 557 293	3 757 274

The deferred income are detailed as follows:

<u>Project</u>	<u>Deferred income</u>
GIZ	763 242
FAST	307 456
Total	1 070 698

2-2.3 Suppliers :

This account totaled 295 769 TND as at 31/12/2022 detailed as follows:

	<u>2022</u>	<u>2021</u>
Suppliers – Purchases of goods / services	264 849	213 490
Suppliers – Invoices not issued	<1 150>	<1 150>
Suppliers – Advance	<18 764>	<42 764>
Suppliers – Depreciation	50 834	18 764
Total	295 769	188 340

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December 31, 2022

NOTE 5- NOTE ON EVENTS AND MANIFESTATIONS ORGANIZED

	1- Projet NEA - 2nd Graduation Ceremony NEA (en mode hybride) - 30 Mars 2022 - Four Seasons	2- 10ème anniversaire EFE- Tunisie - 31 Août 2022 - Sheraton	3- Projet Hivos- 2nd Graduation Ceremony - Octobre 2022 Royal ASBU	4- Projet STEP - Closing ceremony - 29 Juin 2022 - Movenpick	5- Kickoff projet Digitaworks (événement en ligne) - février 2022	6- Kickoff projet FAST - Zarzis - Novembre 2022
<u>Receipts</u>						
*Taxes	- TND	TND	- TND	- TND	- TND	- TND
*Sponsoring/Grant	30 021	61 367	31 291	10 700	-	-
*Sales	- TND	TND	- TND	- TND	- TND	- TND
Total Receipts	30 021	61 367	31 291	10 700	-	-
<u>Expenses</u>						
1- Projet NEA - 2nd Graduation Ceremony NEA (en mode hybride) - 30 Mars 2022 - Four Seasons			3- Projet Hivos- 2nd Graduation Ceremony - Octobre 2022 Royal ASBU	4- Projet STEP - Closing ceremony - 29 Juin 2022 - Movenpick	5- Kickoff projet Digitaworks (événement en ligne) - février 2022	6- Kickoff projet FAST - Zarzis - Novembre 2022
COMMUNICATION		8 331				
ORGANISATION/ENVENMENTIEL		44 111				
MODERATEUR	1 786	1 786				
PRESS RELEAS	7 736	7 141				
TRANSPORT						
VENUE RENTAL/HOTEL	18 601					
LOGISTIC	1 900					
Total	30 021	61 367	31 291	10 701	-	-
Surplus / Deficit	- TND	TND	- TND	- TND	- TND	- TND

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December 31, 2022

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 andN + 1 budget over the calendar year assuming that the activities are also carried out at a linear pace over the year:

Rubriques	Budget 2023	Budget 2022	Réalisations 2022	Ecart 2022	Explications
USAID JOBS	608 868 TND	1 096 699 TND	641 173 TND	455 526 TND	The USAID Project started in september, 2020 , the activities started effectively during the first quarter of the project duration. The USAID Jobs project strategy was approved in february 2020. the implementation of the project activities is due to be completed in september 2023, and reporting and closing formalities will be run until December 2023.
CITI Foundation	195 300 TND	177 609 TND	317 178 TND	<139 569> TND	Citi 10 Foundation project: is a JTP project that started in January 2023 and is planned to be run in 11 months, during 2022 part of Citi 8 and the whole Citi 9 project has been run
FAST	127 653 TND	- TND	41 179 TND	<41 179> TND	FAST Project (Femmes et Accélération pour les Start-ups et TPE) is financed by the "Agence Française de Développement" and held by "la Caisse des Dépôts et Consignations de Tunisie (CDC T)" with technical support of "Expertise France" . The project started in October 2022 for a 24 months duration, Implementation took effectively place since first quarter 2023
GIZ Digital Works	1 551 444 TND	1 697 197 TND	2 177 230 TND	<480 033> TND	The implementation of the GIZ-funded DigitalWorks project took a start-up pace from the last quarter of 2021 and really started in 2022, a request of extension has been submitted to the donor in order to extend period of the project to December 2023 with no Budget impact.

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HIVOS GreenWorks	356 929 TND	874 102 TND	974 584 TND	<100 482> TND	the project benefited from a cost-free extension that considered Covid19-related interruptions to take end in December 2022, a second extension led the project to end in March 2023
McKinsey- Aneti Assistance	315 227 TND	369 771 TND	283 641 TND	86 130 TND	The implementation of the ANETI technical assistance project started in 2022 and is planned to be completed fourth quarter 2024
CRDF- Fellowship	24 800 TND	41 508 TND	6 643 TND	34 865 TND	it is a program that started in January 2022 with EFE US and will be run during 28 months
CFYE / EFE Tunisie, UGFS & Wiki	248 000 TND	- TND	- TND	- TND	CONSORTIUM OF YOUTH EMPLOYMENT BETWEEN UGFS / WIKISTARTUP & EFE TUNISIE
DAPP - DCC	241 590 TND	- TND	- TND	- TND	DAPP Program started in June 2023 for 11 months and most of the indicators are to be reached in december 2023
	3 669 812 TND	4 256 886 TND	4 441 628 TND	<184 742> TND	



