

**« EDUCATION FOR EMPLOYMENT -
E.F.E TUNISIE »
AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2017**

SUMMARY

- General report
- Financial statements as of December 31, 2017

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

Apt 12-1^{er} Etage, Immeuble Solaris, Rue du Lac
d'Annecy **1053-Les Berges du Lac - Tunis**

AUDITORS' GENERAL REPORT
ON THE FINANCIAL STATEMENTS AS AT 31
DECEMBER 2017

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, 2017 show a total of 1,073.784 TND, and the income statement show a net positive surplus of 18.682 TND, and cash-flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company 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 Company 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company'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 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 Company'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 Company'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 Company to cease to continue as a going concern.

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.

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 2017 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

Mourad FRADI

Tunis, 1st of July 2018

EDUCATION FOR EMPLOYEMENT

Apt 12-1^{er} Etage, Immeuble Solaris, Rue du Lac d'Annecy
1053-Les Berges du Lac - Tunis

**FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2017**

SUMMARY

- Balance sheet as of December 31, 2017 - Assets
- Balance sheet as of December 31, 2017 - Liabilities & Equity
- Income statement as at December 31, 2017
- Statement of cash flow as at 31 December 2017
- Notes to the financial statements

EDUCATION FOR EMPLOYEMENT

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Balance Sheet as at 31 December 2017 (Expressed in Dinars)

ASSETS	Notes	December 31, 2017	December 31, 2016
NON CURRENT ASSETS			
Intangible Fixed Assets	2.1	92 317	88 776
Less : Depreciation		-85 444	-77 008
		6 873	11 768
Tangible Fixed Assets	2.2	149 692	131 838
Less : Depreciation		-79 343	-47 248
		70 349	84 590
Financial Fixed Assets		15 404	15 404
TOTAL FIXED ASSETS		<u>92 626</u>	<u>111 762</u>
Other non-Current Assets		0	0
TOTAL NON CURRENT ASSETS		92 626	111 762
CURRENT ASSETS			
Inventorie		0	0
Less : provisions		0	0
Trade Receivables		0	0
Less : Provision		0	0
Other Current Assets	2.3	35 281	26 600
Investments & Other Financial Assets		0	0
Cash & Cash Equivalent	2.4	945 877	803 609
TOTAL CURRENT ASSETS		981 158	830 209
TOTAL ASSETS		1 073 784	941 971

* The 2016 financial statements have been restated following the recognition of a write-off in 2017 relating to opening shareholders' equity

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Balance Sheet as at December 2017 (Expressed in Dinars)

EQUITIES & LIABILITIES	Notes	December 31, 2017	December 31, 2016
EQUITIES			
Endowment Funds		708 132	640 399
Reported Results		0	0
TOTAL EQUITIES BEFORE BUSINESS YEAR'S RESULT		708 132	640 399
Result of the year		18 682	67 733
TOTAL EQUITIES		726 814	708 132
LIABILITIES			
NON CURRENT LIABILITIES			
Loans		0	0
Other Financial Liabilities		0	0
Provisions for contingencies		14 592	14 592
TOTAL NON CURRENT LIABILITIES		14 592	14 592
CURRENT LIABILITIES			
Trade Payables	2.5	178 268	25 980
Other Current Liabilities	2.6	154 098	193 267
Bank overdrafts and other financial liabilities		12	0
TOTAL CURRENT LIABILITIES		332 378	219 247
TOTAL LIABILITIES		346 970	233 839
TOTAL EQUITIES & LIABILITIES		1 073 784	941 971

* The 2016 financial statements have been restated following the recognition of a write-off in 2017 relating to opening shareholders' equity

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Income Statement as at December 2017 (Expressed in Dinars)

	Notes	December 31, 2017	December 31, 2016
OPERATING INCOME			
Revenues	3.1	2 008 671	1 580 268
Other Operating Revenues	3.2	85 264	18 979
TOTAL OPERATING INCOME		2 093 935	1 599 247
OPERATING EXPENSES			
Purchases of consumed Supplies	3.3.1	164 166	58 329
Staff Expenses	3.3.2	408 219	364 077
Depreciation & Provisions Allowances		40 531	31 371
Other Operating Expenses	3.3.3	1 465 061	1 077 722
TOTAL OPERATING EXPENSES	3.3	2 077 977	1 531 500
OPERATING RESULT		15 958	67 747
Net Financial Charges		<2 788>	<0>
Investments Revenues		0	0
Other Ordinary Gains		5 605	37
Other Ordinary Losses	3.4	<93>	<51>
SURPLUS NET OF THE YEAR		18 682	67 733

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Cash Flow Statement (Expressed in Dinars)

	December 31, 2017	December 31, 2016
Cash Flow from Operating Activities		
Surplus of the year	18 682	67 733
Adjustment for :		
Depreciation and provisions	40 532	31 371
Variance of :		
Inventories	0	0
Debts	0	0
Other Current Assets	-8 681	-4 069
Debts to Suppliers & Other Current Liabilities	112 639	-16 406
Transfer of charges		
Cash Flow from Operating Activities	163 172	78 629
Cash Flow from Investing Activities		
Payments for acquisitions of Tangible and Intangible Fixed Assets	-20 916	-59 172
Payments for acquisition of Financial Fixed Assets	0	-9 800
Cash Flow from Investing Activities	-20 916	-68 972
Cash Flow from Financing Activities		
Receipt of Investing subsidy	0	0
Receipts from loans	0	0
Reimbursement of loans	0	0
Cash Flow from Financing Activities	0	0
Treasury Variance	142 256	9 657
Cash at the beginning of the year	803 609	793 952
Cash at closing	945 865	803 609

**NOTES TO THE FINANCIAL STATEMENTS AS
AT 31 DECEMBER 2017**

<p>NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017</p>
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(Figures in Tunisian Dinars)

NOTE 1- APPLIED ACCOUNTING PRINCIPLES

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

Association EDUCATION FOR EMPLOYEMENT financial statements as at 31 December 2017 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:

Association EDUCATION FOR EMPLOYEMENT accounting system are presented as follows:

The accounting records are kept on PC computer

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 **Association EDUCATION FOR EMPLOYEMENT** 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:

Association EDUCATION FOR EMPLOYMENT accounts are presented in Tunisian dinars.

1-3-3- Going Concern:

The financial statements as at December 31, 2017 are prepared with going concern perspective.

NOTE 2- INFORMATION AS REGARDS THE BALANCE SHEET

2-1 Intangible Fixed Assets:

The net value disclosed in the balance sheet corresponds to the acquisition value of the association's fixed assets elements totaling 92 317 TND reduced by the accumulated depreciation totaling 85 444 TND as at December 31, 2017.

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 Tangible Fixed Assets:

The net value disclosed in the balance sheet corresponds to the acquisition value of the association's fixed assets elements totaling 149 692 TND reduced by the accumulated depreciation totaling 79 343 TND as at December 31, 2017.

Acquisitions are recognized at the purchase cost including VAT.

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

2-3 Other Current Assets:

Other current assets totaled 35 281 TND as at December 31, 2017 detailed as follows:

	2017	2016
Royalties on salaries	49	49
Various Debtors	5 407	14 101
Accrued Expenses	9 016	7 500
Suspense Acts	2 065	2 065
Withholding/sales	4 179	2 885
Receivable product	4 530	0
Withholding tax 15%	9 380	0
Withholding tax 5%	36	
Withholding tax 1.5%	619	0
Total	35 281	26 600

2-4 Cash and Cash equivalents:

This caption totaled 945 877 TND as at December 31, 2017 detailed as follows:

	<u>2017</u>	<u>2016</u>
BIAT E.F.E TN	400 585	97 418
BIAT MSI	0	-12
BIAT DROSOS	205 139	206 220
BIAT MEPI	99 349	301 163
BIAT EFE ACCENTURE	52 397	145 347
BIAT EFE CITI	79 449	27 678
BIAT MEPI PRO	47 073	25 350
CASH MEPI	0	9
CASH DROSOS	0	14
CASH ACCENTURE	0	222
CASH EFE	28	200
BIAT EFE BAD	67	0
BIAT EFE OSF	61 790	0
Total	<u>945 877</u>	<u>803 609</u>

2-5 Trade payables:

This caption totaled 178 268 TND as at December 31, 2017 detailed as follows:

	<u>2017</u>	<u>2016</u>
Suppliers – Purchases of goods / services	178 268	25 980
Suppliers – Invoices not issued	-	-
Total	<u>178 268</u>	<u>25 980</u>

2-5-1: Suppliers – Purchases of goods / services:

	2017	2016
Discovery SA	4 050	4 050
Raja Cherif	1 770	1 770
Adel Gassoumi	5 942	5 942
Mehdi Ourache	4 198	4 198
Hamouda Ben Jemaa	6 178	6 179
IMS	61 958	0
ERNST & YOUNG	22 067	0
ABDERRAHMEN SOMRANI	7 909	0
RIADH BOUZZAOUECH	7 647	0
STCS	30	30
Other Suppliers	56 519	3 811
	178 268	25 980

2-6 Other Current Liabilities:

Other current liabilities totaled 154 098 TND detailed as follows as at December 31, 2017:

	2017	2016
Withholding tax 1.5 %	-	928
Withholding tax 15%	-	10 278
Withholding tax 5%	-	4 496
Due taxes and Duties	20 356	10 997
CNSS	21 805	19 089
Provision for paid vacation	59 000	41 471
Accrued Expenses	52 374	88 050
Due salaries	563	426
Other Creditors	-	17 532
Total	154 098	193 267

NOTE 3- INFORMATION AS REGARDS THE INCOME STATEMENT

3-1 Revenues:

	<u>2017</u>	<u>2016</u>
Subsidy MEPI	584 333	1 078 622
Subsidy OSF	650 942	0
Subsidy BAD	113 282	0
Subsidy MEPI RO	228 300	41 225
Subsidy CITI 2	126 454	136 840
Subsidy ACCENTURE	292 225	298 455
Subsidy MBC	13 135	0
Other subsidies (Intel,Citi,Abraj,Velaj)	0	25 126
Total	2 008 671	1 555 142

3-2 Other operating revenues:

	<u>2017</u>	<u>2016</u>
Contribution MICROCRED	17 354	0
Contribution ENDA	54 854	0
Contribution WIFEK INTERBANK	5 325	0
Contribution ADVANS	2 574	2 574
Contribution MG	2 928	5 856
Contribution ORANGE	3 980	3 980
Contribution WORPLACE SUCCES	-1 751	6 569
Total	85 264	18 979

3-3 Operating Expenses:

		<u>2017</u>	<u>2016</u>
Purchases of consumed supplies	3.3.1	164 166	58 329
Staff Expenses	3.3.2	408 219	364 077
Depreciation & provisions Allowances		40 531	31 371
Other operating expenses	3.3.3	1 465 061	1 077 722
Total		2 077 977	1 531 499

3.3.1 Purchases of consumed supplies:

	<u>2017</u>	<u>2016</u>
Purchase of supplies /Training session	0	88
Purchase of studies and services	63 725	0
Purchase not in inventory of supplies	14 555	2 101
Fuel	995	585
Purchase not in inventory supplies/training	828	1 645
Water	119	93
Electricity	7 200	10 315
Office Supplies	44 928	12 987
Office Supplies /training	31 816	30 515
	164 166	58 329

3.3.2 Staff Expenses:

	<u>2017</u>	<u>2016</u>
Salaries	381 599	299 807
Paid vacation	-33 035	10 780
Social Contribution	57 864	50 945
Workmen's compensation	1 286	1 388
Expenses from accounting change	505	1 157
	408 219	364 077

3.3.3- Other Operating Expenses:

	<u>2017</u>	<u>2016</u>
Fees trainers ²	536 672	494 461
Fees	441 635	135 507
Receptions	145 190	100 509
Travels	67 009	25 207
Rent head office E.F.E	57 868	38 242
Lodging on missions	45 241	12 771
Transportation of candidates and Trainers	44 012	12 729
Insurance Premiums	21 965	14 087
Telecom Charges	20 564	12 095
Adverts	15 837	100 115
ADSL charges	13 349	662
Various Rent	12 312	19 009
Transportation of staff	12 175	4 253
Training Expenses	8 292	16 045
Cleaning	5 673	13 740
Car Rentals	4 811	4 249
FOPROLOS	3 613	2 976
Courses charges	2 862	2 553
Bank commissions	2 435	2 322
Visa charges	1 265	450
Gifts	846	100
Other	770	1 906
Repairs and maintenance	603	0
Taxi charges	62	0
Other Charges from accounting changes	0	62 556
EFE Team Building	0	703
Travel Stamp	0	420
Other ordinary losses	0	36
Insurance Travel	0	19
Total	1 465 061	1 077 722

3. 4 –Other ordinary losses:

	<u>2017</u>	<u>2016</u>
Penalties	93	51
Total	93	51

NOTE 4- INFORMATION AS REGARDS CASH FLOW STATEMENT

The cash flow statement gave rise to a positive variance of 142 256TND as at December 31, 2017 detailed as follows:

Cash Flow from Operating for 163 172 TND

Cash Flow from Investing for < 20 916> TND

TABLE OF INTANGIBLE AND TANGIBLE FIXED ASSETS AND AMORTIZATION AT DECEMBER 31, 2017							
DESIGNATION	FIXED ASSETS – GROSS VALUES			DEPRECIATION			NET VALUES
	December 31, 2016	ACQUISIT°.	December 31, 2017	December 31, 2016	DOTATION	December 31, 2017	December 31, 2017
INTANGIBLE FIXED ASSETS							
Software	81 356	3 541	84 897	69 588	8 436	78 024	6 873
Site Web EFE	7 420	0	7 420	7 420	0	7 420	0
Total Intangible Fixed Assets	88 776	3 541	92 317	77 008	8 436	85 444	6 873
TANGIBLE FIXED ASSETS							
Computer Equipment	78 924	11 240	90 165	28 019	23 679	51 698	38 467
Office Equipment	25 530	6 614	32 144	13 415	5 408	18 823	13 321
Fittings, Design and Installations & Function Facilities	24 681	0	24 681	3 942	2 468	6 410	18 271
Telephone Equipment	2 703	0	2 703	1 873	540,6	2 413	290
Tangible fixed assets in progress			0			0	0
Total Tangible Fixed Assets	131 838	17 854	149 693	47 249	32 095	79 344	70 349
GRAND TOTAL	220 614	21 395	242 010	124 257	40 531	164 788	77 222