

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

**AUDIT OF THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2016**

AUDITORS' REPORT

Tunis September 08th, 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 2016

Dear Sirs,

Report on the Financial Statements

In execution of the assignment confided to us by the board of Directors , we have audited the hereafter financial statements of the Association Education For Employment « EFE », as at 31 December 2016 which comprise the balance sheet as at December 31, 2013, the income and cash flow statements for the year then ended, covering the period from January 1st to December 31, 2016 and the notes to the financial statements.

Management's Responsibility for the preparation and presentation of the Financial Statements

These financial statements show a total net balance sheet of **941.971 TND**, a net positive surplus of **67.733 TND** and a positive operating cash flow of **78.630 TND**, they were prepared by your board of directors. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Tunisian Accounting Standards, and with the laws and regulations into force and the statutory clauses of the Association Education for Employment « EFE ».

This responsibility includes the conception, set up and follow-up on internal control in relation with the preparation and fair presentation of financial statements free from material misstatements, whether due to fraud or error as well as the determination of reasonable accounting estimates depending on the circumstances

Auditors' Responsibility

The financial statements were prepared by the Board of Directors under their responsibility. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the professional auditing standards applicable in Tunisia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

In our opinion, the hereafter financial statements are regular and sincere and give, in all material respects, a true and fair view of the financial position of the Association Education For Employment « EFE » as at 31 December 2016 as well as the results of its operations and cash flow statements for the year then ended in accordance with the generally accepted accounting principles in TUNISIA.

Dhia BOUZAYEN

Partner

F.M.B.Z KPMG TUNISIE

FINANCIAL STATEMENTS
AS AT 31 DECEMBRE 2016

EDUCATION FOR EMPLOYMENT

1235186/L/P/N/000

App 12 Imm Solaris

Rue Lac d'Annecy- Berges du Lac

1053 Tunis

**Balance Sheet as at 31 December 2016
(Expressed in Dinars)**

ASSETS	Notes	2016	2015
NON CURRENT ASSETS			
Intangible Fixed Assets	2.1	88 776	88 776
Less : Depreciation		-77 008	-62 371
		<u>11 768</u>	<u>26 406</u>
Tangible Fixed Assets	2.2	131 838	72 667
Less : Depreciation		-47 248	-30 515
		<u>84 590</u>	<u>42 152</u>
Financial Fixed Assets		15 404	5 604
TOTAL FIXED ASSETS		<i>111 762</i>	<i>74 162</i>
Other non-Current Assets		0	0
TOTAL NON CURRENT ASSETS		<u>111 762</u>	<u>74 162</u>
CURRENT ASSETS			
Inventories		0	0
Less : provisions		0	0
Trade Receivables		0	0
Less : Provision		0	0
Other Current Assets	2.3	26 600	22 531
Investments & Other Financial Assets		0	0
Cash & Cash Equivalent	2.4	803 609	793 952
TOTAL CURRENT ASSETS		830 209	816 483
TOTAL ASSETS		941 971	890 645

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Rue Lac d'Annecy Berges du Lac

1053 Tunis

**Balance Sheet as at December 2016
(Expressed in Dinars)**

EQUITIES & LIABILITIES	Notes	2016	2015
EQUITIES			
Endowment Funds		580 324	446 474
Reported Results		0	0
TOTAL EQUITIES BEFORE BUSINESS YEAR'S RESULT		580 324	446 474
Result of the year		67 733	133 850
TOTAL EQUITIES		648 057	580 324
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	25 980	108 184
Other Current Liabilities	2.6	253 342	187 544
		0	0
TOTAL CURRENT LIABILITIES		279 322	295 728
TOTAL LIABILITIES		293 914	310 320
TOTAL EQUITIES & LIABILITIES		941 971	890 645

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1053 Tunis

**Income Statement as at December 2016
(Expressed in Dinars)**

	Notes	2016	2015
OPERATING INCOME			
Revenues	<i>3.1</i>	1 580 268	1 762 850
Other Operating Revenues	<i>3.2</i>	18 978	25 194
TOTAL OPERATING INCOME		1 599 247	1 788 043
OPERATING EXPENSES			
Purchases of consumed Supplies	<i>3.3.1</i>	58 329	40 738
Staff Expenses	<i>3.3.2</i>	364 077	395 038
Depreciation & Provisions Allowances		31 371	46 592
Other Operating Expenses	<i>3.3.3</i>	1 077 722	1 171 875
TOTAL OPERATING EXPENSES	<i>3.3</i>	1 531 500	1 654 243
OPERATING RESULT		67 747	133 800
Net Financial Charges			0
Investments Revenues			0
Other Ordinary Gains		37	501
Other Ordinary Losses	<i>3.4</i>	51	452
SURPLUS NET OF THE YEAR		67 733	133 850

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

	2016	2015
Cash Flow from Operating Activities		
Surplus of the year	67 733	133 850
Adjustment for :		
Depreciation and provisions	31 371	46 592
Variance of :		
Inventories		0
Debts		0
Other Current Assets	-4 069	-9 700
Debts to Suppliers & Other Current Liabilities	-16 406	92 024
Transfer of charges		
Cash Flow from Operating Activities	78 630	262 767
Cash Flow from Investing Activities		
Payments for acquisitions of Tangible and Intangible Fixed Assets	-59 172	-49 618
Payments for acquisition of Financial Fixed Assets	-9 800	0
Cash Flow from Investing Activities	-68 972	-49 618
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	9 658	213 149
Cash at the beginning of the year	793 952	580 803
Cash at closing	803 609	793 952

***NOTES TO THE FINANCIAL STATEMENTS AS AT 31
DECEMBER 2016***

EDUCATION FOR EMPLOYMENT

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Rue Lac d'Annecy Berges du Lac - 1053 Tunis

NOTES TO THE FINANCIAL STATEMENTS 2016

NOTE 1- APPLIED ACCOUNTING PRINCIPLES

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

Association EDUCATION FOR EMPLOYMENT financial statements as at 31 December 2016 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 EMPLOYMENT 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 EMPLOYMENT** 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%

Fixed assets put into service during the year are depreciated in accordance with the prorata

temporis rule.

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 31 December 2016 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 88 776 TND reduced by the accumulated depreciation totaling 77 008 TND as at 31 December 2016.

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 131 838 TND reduced by the accumulated depreciation totaling 47 248 TND as at 31 December 2016.

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 26 600 TND as at 31/12/2016 detailed as follows:

	2016	2015
Royalties on salaries	49	49
Various Debtors	14 101	17 532
Accrued Expenses	7 500	0
Suspense Acts	2 064	2 064
Withholding/sales	2 885	2 885
Total	26 600	22 531

2-4 Cash and Cash equivalents:

This caption totaled 803 609 TND as at 31/12/2016 detailed as follows:

	2016	2015
BIAT E.F.E TN	97 417	69 302
BIAT MSI	-12	-12
BIAT DROSOS	206 220	500 483
BIAT MEPI	301 163	111 071
BIAT EFE ACCENTURE	145 347	112 475
BIAT EFE CITI	27 678	0
BIAT MEPI PRO	25 350	0
CASH MEPI	9	487
CASH DROSOS	14	1
CASH ACCENTURE	222	144
CASH EFE	200	0
Total	803 609	793 952

2-5 Trade payables:

This caption totaled 25 980 TND as at 31/12/2016 detailed as follows:

	2016	2015
Suppliers – Purchases of goods / services	25 980	108 184
Suppliers – Invoices not issued	-	-
Total	25 980	108 184

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

	2016	2015
Mixlearning	0	42 107
Discovery SA	4 050	4 050
Raja Cherif	1 770	2 707
Adel Gassoumi	5 942	5 942
Mehdi Ourache	4 198	3 442
Hamouda Ben Jemaa	6 178	0
Esprit d'Entreprise	0	24 989
Institut Robert	0	2 077
Xtensus	0	6 273
STCS	30	3 350
Derouiche Abdelmeneem	0	2 800
Other Suppliers	3 811	10 447
	25 980	108 184

2-6 Other Current Liabilities:

Other current liabilities totaled 253 342 TND detailed as follows as at 31/12/2016:

	2016	2015
Withholding tax 1.5 %	928	457
Withholding tax 15%	10 278	8 583
Withholding tax 5%	4 496	9 147
Due taxes and Duties	10 997	12 151
CNSS	19 089	21 015
Provision for paid vacation	41 471	28 862
Accrued Expenses	88 050	13 629
Due salaries	426	426
Other Creditors	77 607	93 274
Total	253 342	187 544

NOTE 3- INFORMATION AS REGARDS THE INCOME STATEMENT

3.1 Revenues:

	2016	2015
Subsidy MEPI	1 078 622	810 378
Subsidy DROSOS	0	871 310
Subsidy MEPI RO	41 225	0
Subsidy INTEL	0	37 964
Subsidy CITI 2	136 840	37 964
Subsidy MICROSOFT	0	0
Subsidy ABRAAJ	0	18 982
Subsidy VELAJ	0	18 982
Subsidy ACCENTURE	298 455	181 734
Other subsidies (Intel,Citi,Abraj,Velaj)	25 125	0
Revenues from Accounting change (Subsidy. MICROSOFT) ¹	0	-214 464
Total	1 580 268	1 762 850

3.2 Other operating revenues:

	2016	2015
Contribution MICROCRED	0	2 865
Contribution ENDA	0	15 062
Contribution COFICAB	0	1 910
Contribution SUNGARD	0	837
Contribution ADVANS	2 574	0
Contribution MG	5 856	0
Contribution ORANGE	3 980	0
Contribution WORPLACE SUCCES	6 569	0
Other employer's Contributions	0	4 520
Total	18 978	25 194

3.3 Operating Expenses:

		2016	2015
Purchases of consumed supplies	3.3.1	58 329	40 738
Staff Expenses	3.3.2	364 077	395 038
Depreciation & provisions Allowances		31 371	46 592
Other operating expenses	3.3.3	1 077 722	1 171 875
Total		1 531 500	1 654 243

¹ This reprocessing corresponds to the reclassification of amounts transferred by Microsoft to a liability account because it is not a subsidy but rather a management.

3.3.1 Purchases of consumed supplies:

	2016	2015
Purchase of supplies /Training session	88	23 762
Purchase of studies and services	0	9 680
Purchase price /Training session	0	0
Purchase not in inventory of supplies	2 101	5 965
Fuel	585	280
Purchase not in inventory supplies /training	1 646	0
Water	93	69
Electricity	10 315	3 335
Office Supplies	12 987	8 218
Office Supplies /training	30 515	1 591
Expenses from accounting change	0	- 12 161
	58 329	40 738

3.3.2 Staff Expenses:

	2016	2015
Salaries	299 807	334 190
Paid vacation	10 780	1 692
Social Contribution	50 945	57 433
Workmen's compensation	1 388	1 722
Expenses from accounting change	1 157	0
	364 077	395 038

3.3.3 Other Operating Expenses:

	2016	2015
Fees trainers ²	494 461	855 508
Gifts	100	2 850
Lodging on missions	12 771	19 673
Adverts	100 115	14 060
Fees	135 507	135 663
Rent head office E.F.E	38 242	28 245
Various Rent	19 009	27 651
Insurance Premiums	14 087	13 605
Receptions	100 509	35 795
Telecom Charges	12 095	14 787
Transportation of staff	4 253	8 324
Travels	25 207	5 068
Adverts of la presse	0	0
Cleaning	13 740	2 848
Transportation of candidates and Trainers	12 729	8 122
Repairs and maintenance	0	5 996
Car Rentals	4 249	4 565
Taxi charges	0	675
ADSL charges	662	350
Rental and condominium expenses	0	1 680
Bank commissions	2 322	1 420
Registration and stamp duties	0	8
Training Expenses	16 045	42 447
Courses charges	2 553	284
Other	1 906	3 529
Insurance Travel	19	0
EFE Team Building	703	0
Visa charges	450	0
FOPROLOS	2 976	0
Travel Stamp	420	0
Other ordinary losses	36	0
Other Charges from accounting changes	62 553	- 61 276
Total	1 077 722	1 171 875

² The variance in the balance of this account is mainly due to the closing down of Grant DROSOS in March 2016

3. 4 –Other ordinary losses:

	2016	2015
Penalties	51	452
Total	51	452

NOTE 4- INFORMATION AS REGARDS CASH FLOW STATEMENT

The cash flow statement gave rise to a positive variance of 9 658 TND as at 31 December 2016 detailed as follows:

Cash Flow from Operating for 78 630 TND

Cash Flow from Investing for < 68 972 > TND

TABLE OF INTANGIBLE AND TANGIBLE FIXED ASSETS AND AMORTIZATION AT 31/12/2016

DESIGNATION	FIXED ASSETS – GROSS VALUES			DEPRECIATION			NET VALUES
	01/01/2016	ACQUISIT°.	31/12/2016	01/01/2016	DOTATION	31/12/2016	31/12/2016
INTANGIBLE FIXED ASSETS							
Software	81 356	0	81 356	57 424	12 164	69 588	11 768
Site Web EFE	7 420	0	7 420	4 946	2 474	7 420	0
Leasehold Rights							
Intangible fixed assets in progress							
Total Intangible Fixed Assets	88 776	0	88 776	62 371	14 638	77 008	11 768
TANGIBLE FIXED ASSETS							
Computer Equipment	39 894	39 030	78 924	17 293	10 725	28 018	22 601
Office Equipment	22 838	2 692	25 530	8 853	4 562	13 415	13 985
Fittings, Design and Installations	7 231	17 450	24 681	3 036	906	3 942	4 196
Function Facilities						0	
Telephone Equipment	2 703	0	2 703	1 332	541	1 873	1 371
Tangible fixed assets in progress							
Total Tangible Fixed Assets	72 667	59 172	131 838	30 515	16 734	47 248	84 590
GRAND TOTAL	161 443	59 172	220 615	92 885	31 371	124 255	96 359