

**CENTER OF ARAB WOMEN FOR TRAINING AND
RESEARCH "CAWTAR"**

Audit report

Financial Statements as at December 31st, 2017

(Translation of the French original dated June, 2018)

CONTENTS

	<u>Page</u>
AUDIT REPORT	3
FINANCIAL STATEMENTS	6

Center of Arab Women For Training And Research (CAWTAR)

AUDITOR'S REPORT

Financial statements as at December 31st, 2017

Ladies and gentlemen,

I. Report on the Audit of Financial States

1. Qualified Opinion

In compliance with the assignment entrusted to us we present below our report on the financial statements of CAWTAR « Center of Arab Women For Training And Research » which comprise the balance sheet as at December 31st, 2017, the income statement and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The financial statements present positive equities of TND 3 030 479, including a net income of TND 416 316.

In our opinion, except the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of CAWTAR « Center of Arab Women For Training And Research » as at December 31st, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Tunisian GAAP performance and its cash flows for the year then ended in accordance with Tunisian GAAP.

2. Basis for qualified opinion

Our audit concerned CAWTAR funds managed by CAWTAR except those transferred to UNOPS (audited by UNOPS), which amounts to TND 375 206, allocated to expenses incurred during fiscal year 2017 including:

- Center staff recruited directly by UNOPS payroll.
- Other expenses incurred directly by UNOPS on behalf of the center
- The commission allocated to UNOPS.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 CAWTAR in accordance with the ethical requirements that are relevant to our audit of the financial statements in Tunisia, and we have fulfilled our other ethical 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.

3. Emphasis of Matter

We draw attention to Note 2 to the financial statements which describe that the Tunisian government has donated CAWTAR a piece of land N° A29-2 covering a surface of 3 138.33 square meters located in Tunisia "Centre Urbain Nord", under condition to build its headquarters there. The transfer of property is supported by an agreement concluded between CAWTAR and the relevant Tunisian Authorities. This land was recorded in the balance sheet for Tunisian symbolic Dinar in conformity with transfer agreement. This agreement stipulated also that property transfer should be cancelled in case such condition is not observed.

The market value of the land was estimated to TND 1 883 000 according to architect expert report dated November 30st, 2007. Our opinion is not qualified in respect of this matter.

4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with Tunisian GAAPs 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 CAWTAR'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 CAWTAR or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization financial reporting process.

5. 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 CAWTAR'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 CAWTAR 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.
- 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

We have also carried out the specific procedures prescribed by law and professional standards.

1. Effectiveness of the system of internal control

We carried out periodic audits of the effectiveness of the internal control system supporting the establishment of the Financial Statements. In this regard, we recall that the responsibility for the design and implementation of an internal control system as well as the periodic monitoring of its effectiveness and efficiency lies with the Management.

On the basis of our audit, we have not identified any significant deficiencies in the internal control support of the establishment of the Financial Statements.

AMC ERNST & YOUNG

Tunis JUNE 15TH , 2018

Mohamed CHERIF



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FINANCIAL STATEMENTS

BALANCE SHEET			
(In Tunisian Dinars)			
Balance as at December 31st			
Assets	Notes	2017	2016
Non-current assets			
Fixed assets			
Intangible fixed assets		1 109 296	1 096 242
Less : amortization		(745 869)	(478 667)
Net intangible fixed assets	1	363 427	617 574
Tangible fixed assets		2 779 673	2 761 138
Less : amortization		(2 077 547)	(1 962 965)
Less : depreciation		(19 724)	(19 724)
Net tangible fixed assets	2	682 402	778 448
Total Fixed assets		1 045 829	1 396 023
Total non-current assets		1 045 829	1 396 023
Current assets			
Other current assets	3	1 081 305	1 150 106
-Provisions on other current assets		(3 562)	(5 630)
Net value		1 077 744	1 144 476
Other current financial assets		16 441	10 743
Cash and short-term deposits	4	3 607 745	2 740 276
Total current assets		4 701 930	3 895 495
Total assets		5 747 759	5 291 518

BALANCE SHEET			
(In Tunisian Dinars)			
Balance as at December 31st			
Equity and liabilities	Notes	2017	2016
Equity			
Endowment		111 163	111 163
Other capital contribution		1 559 054	1 268 283
Retained earnings		943 946	1 291 176
Total equity before net profit		2 614 164	2 670 623
Profit for the year		416 316	290 771
Total equity	5	3 030 479	2 961 393
Liabilities			
Current liabilities			
Trade payables	6	137 761	50 938
Other current liabilities	7	2 579 519	2 279 186
Total current liabilities		2 717 279	2 330 125
Total liabilities		2 717 279	2 330 125
Total equity and liabilities		5 747 759	5 291 518

INCOME STATEMENT			
(In Tunisian Dinars)			
		Period of twelve months ended as at December 31st	
	Notes	2017	2016
Operating income			
Revenues		72 528	90 853
Other operating income		4 184 993	4 304 410
Total operating income	8.1	4 257 522	4 395 263
Operating expenses			
Purchases		126 476	84 911
Staff costs		871 408	904 786
Depreciations and provision		379 714	311 964
Other operating expenses		2 703 898	2 954 782
Total operating expenses	8.2	4 081 496	4 256 442
Operating profit		176 025	138 821
Net financial costs	8.3	240 294	152 249
Other ordinary gains		-	18
Other ordinary losses		(3)	(317)
Profit before tax		416 316	290 771
Income tax expenses		-	-
Profit for the year after tax	8	416 316	290 771

CASH FLOW STATEMENT
(In Tunisian Dinars)

	Period of twelve months ended as at December 31st	
	2017	2016
<u>Cash – flow from operating activities</u>		
Profit for the year	416 316	290 771
Adjustments for :		
Deprecation and provisions	379 714	311 964
Investment grant in profit		
Net foreign exchange difference on currency treasury	(240 294)	(152 249)
Working capital changes :		
Other current assets	68 801	(592 375)
Investments and other financial assets	(5 698)	(2 371)
Supplier and other debts	86 823	(1 377)
Other current liabilities	300 332	96 906
Cash – flow from operating activities	1 005 995	(48 731)
<u>Cash – flow from investing activities</u>		
Purchase of tangible and intangible assets	(31 589)	(101 503)
Disposal of tangible and intangible assets		
Sale of long term investments		
Cash – flow from investing activities	(31 589)	(101 503)
<u>Cash – flow from financing activities</u>		
Proceeds from donors	(347 230)	(194 627)
Cash – flow from financing activities	(347 230)	(194 627)
Net foreign exchange difference on currency treasury	240 294	152 249
Cash-flow variation	867 469	(192 613)
Cash on the beginning of the year	2 740 276	2 932 889
Cash on the end of the year	3 607 745	2 740 276