



**Harvard Global Research Support  
Services Tunisia**

Statutory Audit Report

Year ended December 31<sup>st</sup>, 2022

Audit et commissariat aux comptes  
Expertise comptable  
Organisation, études et conseil  
Accompagnement d'entreprises

Dear members of the association,  
*Harvard Global Research Support Services Tunisia*

**STATUTORY AUDIT GENERAL REPORT  
FINANCIAL STATEMENTS AS OF DECEMBER 31<sup>st</sup>, 2022  
(Free translation of the French original)**

**I. Report on Financial statements**

**1) Audit opinion**

In fulfillment of our statutory audit mandate entrusted by your General Meeting dated April 4<sup>th</sup>, 2022, we present below our report on the financial statement of the association "Harvard Global Research Support Services Tunisia" (HGRSS) for the year ended December 31<sup>st</sup>, 2022. We have audited the accompanying financial statements balance sheet of HGRSS which comprises of the financial position statement as of December 31<sup>st</sup>, 2022; the income and expenses statement and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information (together "the financial statements").

The financial statements present positive net assets total of 94 321 TND including a deficit for the year 2022 of <17 015> TND.

In our opinion, the financial statement presents fairly, in all material respects, the financial position of "Harvard Global Research Support Services Tunisia" as at December 31<sup>st</sup>, 2022 and its financial performance and its cash flows in accordance with Tunisian GAAP.

**2) Basis for our Opinion**

We conducted our audit in accordance with international auditing standards generally accepted 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 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) Management reports**

Your management is responsible for the preparation and fair presentation of management reports (financial and moral). Our audit opinion on the financial statements does not include the Board of directors' report and we do not express any opinion neither assurance on it.

Our works consists of reading the report and assessing whether is there any significant inconsistency with financial statements or our knowledge obtained during the audit. It consists also to appreciate if the report contains any significant anomaly.

The information contained in this report does not call on our part, a particular observation.

#### **4) Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Management of the association is responsible for the preparation and fair presentation of the financial statements in accordance with Tunisian GAAP, and for such internal control as it 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.

The Management is responsible for overseeing the association's 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 international auditing standards generally accepted in Tunisia 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.

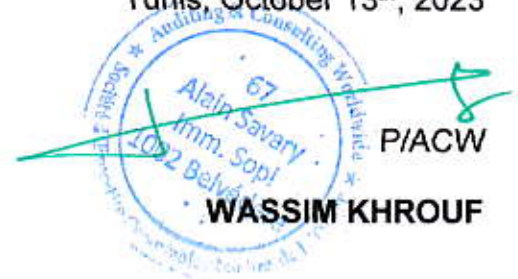
A further description of the auditor's responsibilities for the audit of the financial is located at "Ordre des Experts Comptables de Tunisie" website at: [www.oect.org.tn](http://www.oect.org.tn) . This description forms part of our auditor's report.



## II. Report on other legal and regulatory requirements

As part of our statutory audit mission, we proceeded to the periodic review of the internal controls of the association. We remind that the Management is responsible of setting up and monitoring the efficiency of the internal controls systems. We did not identify any major deficiencies that are likely to affect the efficiency and reliability of the internal control system of the association. A management letter was communicated to the management of the association presenting the main internal control weaknesses identified during our audit.

Tunis, October 13<sup>th</sup>, 2023



## HARVARD GRSS INC TUNISIA

Rue de l'euro, 3 ème étage Immeuble SLIM

### Statement of Financial Position

Business year ending 31 December 2022

Figures expressed in Tunisian Dinars

Assets	Notes	Year N	Year N-1
		2022	2021
AC 1 - Cash and Cash Equivalents	3.1	115 171,583	131 354,423
AC 2 - Investments and other Financial Assets		-	-
AC 3 - Other Current Assets	3.2	9 688,850	7 810,625
AC 4 - Trade Receivables		-	-
AC 5 - Furniture and other Supplies' inventories		-	-
AC 6 - Other non current Assets		-	-
AC 7 - Financial Fixed Assets		-	-
AC 8 - Tangible Fixed Assets	3.3	1 202,497	930,602
AC 9 - Intangible Fixed Assets		-	-
<b>Total Assets</b>		<b>126 062,930</b>	<b>140 095,650</b>
<b>Liabilities and net Assets</b>			
PA 1 - Bank overdrafts and other Financial Liabilities		-	-
PA 2 - Other Current Liabilities	3.4	30 089,687	27 590,170
PA 3 - Trade Payables	3.5	1 652,156	1 169,030
PA 4 - Provisions		-	-
PA 5 - Deferred contributions		-	-
PA 6 - Other non current Liabilities		-	-
PA 7 - Loans		-	-
<b>Total Liabilities</b>		<b>31 741,843</b>	<b>28 759,200</b>
AN 1 - Allowances		-	-
AN 2 - Contributions allocated to fixed assets		-	-
AN 3 - Investment Subsidies		-	-
AN 4 - Other Net Assets		-	-
AN 5 - Reserves		-	-
AN 6 - Surpluses or Deficits Carried Forward		111 336,450	115 624,962
AN 7 - Surplus or Deficit for the Financial Year		- 17 015,363	- 4 288,512
<b>Total Net Assets</b>	<b>3.6</b>	<b>94 321,087</b>	<b>111 336,450</b>
<b>Total Liabilities and Net Assets</b>		<b>126 062,930</b>	<b>140 095,650</b>

## HARVARD GRSS INC TUNISIA

Rue de l'euro, 3<sup>ème</sup> étage Immeuble SLIM

### Statement of Income and Expenses

Period from 01 January to 31 December 2022

Figures expressed in Tunisian Dinars

	Notes	Year N	Year N-1
		2022	2021
<b>Income</b>			
PR 1 - Membership contributions		-	-
PR 2 - Income from Activities and Events		-	-
PR 3 - Operating grants		-	-
PR 4 - Non-monetary contributions		-	-
PR 5 - Other Contributions		-	-
PR 6 - Donations and Grants received	4.1	310 666,834	289 277,424
PR 7 - Share of Subsidiaries and Contributions Included in Income for the Year			
PR 8 - Other Gains		1,224	1,044
<b>Total Income</b>		<b>310 668,058</b>	<b>289 278,468</b>
<b>Expenses</b>			
CH 1 - Consumed Purchases and supplies	4.2	9 060,403	2 023,046
CH 2 - Staff Expenses	4.3	100 715,417	90 006,984
CH 3 - Depreciation and Provision allowances	4.4	824,105	9 893,040
CH 4 - Other Current Expenses	4.5	217 023,895	191 643,885
CH 5 - Net Financial Charges		4,244	-
CH 6 - Other Losses		55,357	0,025
<b>Total Expenses</b>		<b>327 683,421</b>	<b>293 566,980</b>
<b>Surplus (Deficit) of Income over Expenses for the Year</b>		<b>- 17 015,363</b>	<b>- 4 288,512</b>



**HARVARD GRSS INC TUNISIA**

**Rue de l'euro, 3 ème étage Immeuble SLIM**

Period from 1 January to 31 December 2022

Figures Expressed in Tunisian Dinars

	Notes	Year N 2022	Year N-1 2021
<b>Cash flow from current activities</b>			
F1 - Collection of Membership Contributions			
F2 - Collection of Income from Activities and Events			
F3 - Collection of Operating Subsidies			
F4 - Collection of Other Income and Contributions		310 666,834	289 278,468
F5 - Disbursement of amounts paid to Suppliers		-229 062,749	-234 974,949
F6 - Disbursement of Compensation Paid to Staff		-52 299,203	-47 236,394
F7 - Other Disbursement of Current Activities		-45 488,946	-2 492,851
<b>Cash flow from current activities</b>		<b>- 16 184,064</b>	<b>4 574,274</b>
<b>Cash Flows from Investing Activities</b>			
F8 - Disbursement on Acquisition of Intangible and Tangible Fixed Assets			
F9 - Collection on Disposal of Intangible and Tangible Fixed Assets			
F10 - Disbursement on Acquisition of Financial Fixed Assets			
F11 - Collection on Disposal of Financial Fixed Assets			
<b>Cash Flows from Investing Activities</b>		<b>0,000</b>	<b>0,000</b>
<b>Cash Flows from Financing Activities</b>			
F12 - Collection of grants			
F13 - Collection of Investment Grants			
F14 - Collection of Contributions Allocated to Fixed Assets			
F15 - Collection from Loans			
F16 - Disbursement Following the Repayment of Loans (Principal and Interest)			
<b>Cash Flows from Financing Activities</b>		<b>0,000</b>	<b>0,000</b>
Treasury Variance		-16 184,064	4 574,274
Cash at the beginning of the year		131 354,423	126 780,149
<b>Cash at Closing</b>		<b>115 170,359</b>	<b>131 354,423</b>

*Notes to the Financial Statements*



## 1. PRESENTATION OF THE ENTITY

Founded in November 2016, Harvard Global Research and support services, Inc. – Tunisia ("Harvard GRSS Inc. Tunisia"), is a non-profit organization governed by Law 154 of 7 November 1959 promulgating the Law on Associations, as amended by Law 90 of 2 August 1988, Law 25 of 2 April 1992 and Decree-Law No. 2011-88 of 24 September 2011.

The main objectives of Harvard GRSS Inc. Tunisia are:

- To host, facilitate, advance, encourage, and provide research, training, and support to Tunisian programs for the benefit of, and for the public benefit of, faculty and students of Harvard University, Tunisian institutions, and other U.S. and international institutions.

Support and collaborate in Tunisia with professors, students and scholars from Harvard University and other institutions in interdisciplinary research and programs on various topics, including, but not limited to, all fields of science, agriculture, economics, education, industry and medicine, policy, social sciences, technology, culture, art, architecture, public policy, public health, history, humanities, management, business, law, business and other topics of academic or research interest concerning Tunisia and the region.

- To help deserving Tunisian students continue their studies, including by helping applicants obtain financial aid and gain admission to various Harvard University programs and activities.

- organize meetings, seminars, workshops, conferences and other programmes and exchanges for educational, pedagogical, scientific and training purposes.

This organization is exempt from income tax.

## 2. BASIS OF ACCOUNTING AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the provisions of accounting standard No. 45 which relates to associations, political parties and other non-profit organizations.

The main accounting principles and methods used in the preparation of the financial statements are as follows:

### 2.1 Revenue Recognition

Revenues from membership dues, which are non-refundable, are recognized as revenue at the time of initial subscription or at future cash calls to the Board. Sponsors' contributions and donations are recorded in the period in which they occur, whether or not they are received or services rendered.

### 2.2 Intangible and Tangible Capital Assets

Tangible capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives.

Office equipment is depreciated at a rate of 20%.

Computer and communication equipment is depreciated at a rate of 33.33%.

### 2.3 Foreign currency transactions

#### Functional and presentation currency

The items included in the financial statements are measured in the currency of the principal economic environment in which the Company operates ("functional currency").

#### Transactions and balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing on the dates of the transactions.

Exchange gains and losses resulting from the settlement of these transactions and the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

### 2.4 Value added tax (VAT)

Harvard GRSS Inc. Tunisia is a partially taxable entity for VAT purposes.

Indeed, the deduction of VAT is based on a rate calculated each financial year. This rate is obtained by dividing the branch's VAT receipts (inclusive of all taxes) over the total receipts of the branch, including donations and grants, including taxes. For the first year of existence, this rate is determined based on the revenue forecast for the year.

For Harvard GRSS Inc. Tunisia, the rate for fiscal year 2022 is 0%, the branch having made no income subject to VAT.

Thus, all amounts of VAT borne by the branch are not deductible and represent part of the investment costs and expenses.

## 3. NOTES TO THE BALANCE SHEET

### 3.1 Liquidity and cash equivalents

Liquidity and liquidity equivalents increased from TND 131 354 at 31 December 2021 to TND 115 172TND at 31 December 20 2 2 and are as follows:

<u>In TND</u>	<u>2022</u>	<u>2021</u>
Bank	110 172	127 875
Box	5,000	3 479
<b>Net</b>	<b>115 172</b>	<b>131 354</b>

### 3.2 Other current assets

Other current assets increased from TND 7 811 at 31 December 20 2 1 to TND 9 689 as at 31 December 2022 and are as follows:

<u>In TND</u>	<u>2022</u>	<u>2021</u>
Deferred charges	8 499	7 811
Suspense account	1 190	0
<b>Net</b>	<b>9 689</b>	<b>7 811</b>

### 3.3 Tangible Capital Assets

Net tangible capital assets increased from TND 930 as at 31 December 2021 to TND 1 202 as at 31 December 2022 and consists of:

<u>In TND</u>	<u>2022</u>	<u>2021</u>
Office equipment	53 789	53 789
Hardware	6 383	5 287
<b>Gross value</b>	<b>60 172</b>	<b>59 076</b>
Depreciation	(58 970)	(58,146)
<b>Net</b>	<b>1 202</b>	<b>930</b>



### 3.4 Other current liabilities

Other current liabilities increased from TND 27 590 as at 31 December 2021 to TND 30 090 as at 31 December 2022 and are as follows:

<u>In TND</u>	<u>2022</u>	<u>2021</u>
Withholding taxes and other tax liabilities	5 214	6 001
Social security debt	5 518	4 872
Provision for paid leave	8 297	9 323
Accrued liabilities	5 600	7 276
Other credits	118	118
<b>Net</b>	<b>30 090</b>	<b>27 590</b>

### 3.5 Suppliers and related accounts

Accounts payable totalled TND 1,652 as at 31 December 2022 and are detailed as follows:

<u>In TND</u>	<u>2022</u>	<u>2021</u>
KPMG	1 136	984
TUNISIA TELECOM	0	185
MULTICAM PROD	81	0
SESB	435	0
<b>Net</b>	<b>1 652</b>	<b>1 169</b>

### 3.6 Net Assets

The statement of change in net assets as at 31/12/2022 is presented in Appendix 1.

#### 4. NOTES ON THE STATEMENT OF INCOME AND EXPENSES

##### 4.1 Donations and Grants Received

Other revenues increased from TND 289 277 as at December 31, 2021 to TND 310 667 as at December 31 2022 and come exclusively from Harvard GRSS Inc. US.

##### 4.2 Purchases Consumed, Supplies and Supplies

Supplies and consumables increased from TND 2 023 as at 31 December 2021 to TND 9 060 as at 31 December 2022 and are as follows:

<u>In TND</u>	<u>2022</u>	<u>2021</u>
Water consumption	110	23
Electricity costs	3 080	1 508
Events fees	3 038	0
Office supplies	2 373	88
Various consumables	82	404
Fuel	380	0
<b>Total</b>	<b>9 060</b>	<b>2 023</b>

##### 4.3 Staff

Staff costs totaled TND 100 715 as at 31 December 2022 and are as follows:

<u>In TND</u>	<u>2022</u>	<u>2021</u>
Wages	82 207	74 360
Payroll taxes	18 508	15 647
<b>Total</b>	<b>100 715</b>	<b>90 007</b>

##### 4.4 Depreciation and Provision

Depreciation and provisions increased from 9 893 TD at 31 December 2021 to 824 TD at 31 December 2022 and are as follows:

<u>In TND</u>	<u>20 22</u>	<u>2021</u>
Amortization of fixed assets	824	9 893
<b>Total</b>	<b>824</b>	<b>9 893</b>

#### 4.5 Other current expenses

Other current expenses increased from TND 191 643 at 31 December 2021 to TND 217 024 TND at 31 December 2022 and are as follows:

<u>In TND</u>	<u>2,022</u>	<u>2,021</u>
OfficeLo yer	124,500	118 571
Honorarium	40 317	37 719
Publication advertising	4 059	212
Transport	97	154
Trustee fees	7 762	7 392
Maintenance and repair	7 130	4 401
Travel, mission expenses and receptions	11 065	487
Communication costs	1 487	5 245
Bank charges	603	526
Taxes and taxes	814	765
Insurance charge	16 309	15 951
External services	2 882	220
<b>Total</b>	<b>217 024</b>	<b>191 643</b>



Appendix 1

## STATEMENT OF CHANGE IN NET ASSETS

Articles	as at 31 December 2021	Variation	as at 31 December 2022
- Net assets at the beginning of the year	115 625	-4 289	111 337
- Surplus/Deficit of the previous year	0	0	0
- Current year surplus/deficit	-4 289	-12 727	-17 015
<b>Total</b>	<b>111 337</b>	<b>-17 015</b>	<b>94 321</b>