

**Harvard Global Research
Support Services Tunisia**

Statutory Audit Report

Year ended December 31st, 2023

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

**STATUTORY AUDIT GENERAL REPORT
FINANCIAL STATEMENTS AS OF DECEMBER 31st, 2023
(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 4th, 2023, we present below our report on the financial statement of the association “Harvard Global Research Support Services Tunisia” (HGRSS) for the year ended December 31st, 2023. We have audited the accompanying financial statements balance sheet of HGRSS which comprises of the financial position statement as of December 31st, 2023; 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 163,490 TND including a benefit for the year 2023 of 7,022 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 31st, 2023 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 . 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.

As part of our statutory auditing mission, we have also carried out the specific audits provided for by the regulatory texts in force in this area, and particularly the provisions of Decree-Law 2011-88 of 24 September 2011 relating to the organization of associations with no exceptions.

Tunis, May 28th, 2025

P/ACW

WASSIM KHROUF

A handwritten signature in blue ink is written over a circular official stamp. The stamp is light blue and contains text in Arabic, including "الجمعية التونسية للمحاسبين القانونيين" (Tunisian Association of Chartered Accountants) and "الجمعية التونسية للمحاسبين القانونيين" (Tunisian Association of Chartered Accountants). The signature is a stylized, cursive script.

HGRSS - Tunisia
Etats Financiers au 31 Décembre 2023

**Harvard Global Research Support
Services Tunisia**

***FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2023***

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FINANCIAL STATEMENTS
31 DECEMBRE 2023

Statement of financial position
Harvard Global Research Support Services Tunisia
Financial year ending 31 December 2023
(Figures expressed in Tunisian dinars)

	Notes	31/12/2023	31/12/2022
ASSETS			
AC1 - Cash and cash Equivalents	AC1	151 031,198	115 171,583
AC2 - Investments and other financial assets	AC2	0,000	0,000
AC3 - Other current assets	AC3	12 015,905	9 688,850
AC4 - Receivables and related accounts	AC4	0,000	0,000
AC7 - Intangible fixed assets	AC7	0,000	0,000
AC8 - Tangible fixed assets	AC8	443,434	1 202,497
AC9 - Financial fixed assets		0,000	0,000
Total Assets		163 490,537	126 062,930
LIABILITIES AND NET ASSETS			
PA2 - Other current liabilities	PA2	51 761,628	30 089,687
PA3 - Suppliers and related accounts	PA3	10 385,791	1 652,156
Total Liabilities		62 147,419	31 741,843
AN1- Allowences	AN1	0,000	0,000
AN6 - Surplus or deficit brought forward	AN6	94 321,087	111 336,450
AN7 - Surplus or deficit for the year	AN7	7 022,031	-17 015,363
Total net assets		101 343,118	94 321,087
TOTAL LIABILITIES AND NET ASSETS		163 490,537	126 062,930

Statement of Income and Expenses
Harvard Global Reseach SuPPort Services Tunisia
Financial year ending 31 December 2023
(Figures expressed in Tunisian dinars)

	Notes	31/12/2023	31/12/2022
Income			
PR1 - Membership contribution	PR1	0,000	0,000
PR2 - Income from activities and events	PR2	0,000	0,000
PR3 - Operating grants	PR3	0,000	0,000
PR4- Non-monetary contributions	PR4	0,000	0,000
PR5 - Donations and grants received	PR5	424 481,094	310 666,834
PR6 - Investment income	PR6	0,000	0,000
PR8 - Other gains	PR8	1,040	1,224
Total Income		424 482,134	310 668,058
Expenses			
CH 1 - Purchases of supplies and consumables	CH1	1 605,964	9 060,403
CH 2 - Staff costs	CH2	182 716,256	100 715,417
CH 3 - Depreciation, amortisation and provisions	CH3	759,063	824,105
CH 4 - Other current expenses	CH4	232 268,287	217 023,895
CH 5 - Net financial expenses	CH5	0,000	4,244
CH 6 - Other losses	CH6	110,533	55,357
CH 7 - Other gains	CH7	0,000	0,000
CH 8 - Investment grant	CH8	0,000	0,000
Total Expenses		417 460,103	327 683,421
Surplus (Deficit) of income over expenses for the year		7 022,031	-17 015,363

Cash flow statement
Harvard Global Resealch SuPPort Services Tunisia
Financial year ending 31 December 2023
(Figures expressed in Tunisian dinars)

	Notes	31/12/2023	31/12/2022
Cash flow from operating activities			
F1 - Collection of membership contributions	F1	0,000	0,000
F2 - Colletcion of income from activities and events	F2	0,000	0,000
F4 - Collection of other income and contributions	F4	395 813,250	310 666,834
F5 - Disbursement of amounts paid to suppliers	F5	-211 368,641	-229 062,749
F6 - Décaissements des sommes versées au personnel	F6	-62 984,751	-52 299,203
F7 - Other disbursements from current activities	F7	-85 600,243	-45 488,946
F8 - Other disbursements to associations	F8	0,000	0,000
Cash flow from operating activities		35 859,615	-16 184,064
Cash flow from investing activities			
F8 - Disbursements on acquisition of property, plant and equipment and intangible assets	F8	0,000	0,000
F9 - Proceeds from disposals of property, plant and equipment and intangible assets		0,000	0,000
Cash flow used in investing activities		0,000	0,000
Cash flow from financing activities			
F12 - collection of grants		0,000	0,000
F13 - Collection of investment grants		0,000	0,000
F14 - Cash receipts from contributions allocated to fixed assets		0,000	0,000
F15 - Proceeds from borrowings		0,000	0,000
F16 - Disbursements following repayment of loans		0,000	0,000
Cash flow used in financing activities		0,000	0,000
Treasury Variance		35 859,615	-16 184,064
Cash and cash equivalentents at beginning of year		115 171,583	131 354,423
Cash and cash equivalentents at end of year		151 031,198	115 171,583

**Notes to the financial statements at
31 DECEMBER 2023**

for the year ended 31/12/2023

PRESENTATION NOTES

Note 1 : Presentation of the association

'Harvard Global Reseach SuPPort Services Tunisia' was founded in November 2016. It is a non-profit organisation governed by Law 154 of 07 November 1959 promulgating the law on associations, as amended by Law 90 of 02 August 1988, Law 25 of 02 April 1992 and Decree-Law No. 2011-88 of September.

The main objectives of Harvard Global Reseach SuPPort Services Tunisia are :

- To host, facilitate, advance, encourage, and provide research, training, and support for Tunisian programs for faculty and students at Harvard University, Tunisian institutions, and other U.S. and international institutions, and their public interest.

- To support and collaborate in Tunisia with professors, students and scholars from Harvard University and other institutions in interdisciplinary research and programs on a variety of topics, including, but not limited to, all areas of science, agriculture, economics, education, industry, medicine, politics, social sciences, technology, culture, art, architecture, public policy, history, humanities, management, business, law, commerce and other topics of academic or research interest relevant to Tunisia and the region.

- To help deserving Tunisian students pursue their studies, in particular by helping applicants obtain financial aid and admission to various Harvard University programmes and activities.

- To organise meetings, seminars, workshops, conferences and other programmes and exchanges for educational, teaching, scientific and training purposes.

This organisation is exempt from income tax.

for the year ended 31/12/2023

Note 2 : BASIS OF ACCOUNTING AND FINANCIAL REPORTING
FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the accounting regulations in force in Tunisia and more specifically accounting standard no. 45 governing Non-Profit Organisations (NPOs) including associations promulgated by the Ministry of Finance decree of 13 February 2018, and applicable for accounting periods beginning on or after 1 January 2018.

2-1- Revenue recognition

Income from membership subscriptions, which are non-refundable, is recognised as income on initial subscription or on subsequent cash calls to the Board. Contributions from sponsors and donations are recorded in the period in which they arise, whether received in-kind or services rendered.

2-2- Intangible or tangible fixed assets

Property, plant and equipment are recorded at acquisition cost and depreciated on a straight-line basis over their estimated useful lives.

Office equipment is depreciated at a rate of 20%.

IT and communications equipment is depreciated at the rate of 33.33%.

2-3- Transactions in foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency').

Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rate prevailing at the dates of the transactions.

for the year ended 31/12/2023

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

2-4- Value added tax

Harvard GRSS INC Tunisia is a partially taxable entity for VAT purposes. VAT deduction is based on a rate calculated for each financial year. This rate is obtained by dividing revenues and branches subject to VAT (all taxes included) by total branch revenues, including donations and grants, all taxes included. For the first year of existence, this rate is determined on the basis of revenue forecasts for the year.

For Harvard GRSS INC, Tunisia, the rate for the 2022 financial year is 0%. The branch did not generate any revenue subject to VAT.

This means that not all of the VAT borne by the branch is deductible and represents part of the investment costs and expenses.

NOTES TO THE FINANCIAL STATEMENTS

AC1- Cash and cash Equivalents

	31/12/2023	31/12/2022
BANK "CITY BANK"	139 141,553	110 172,000
BOX	3 184,510	5 000,000
Bank blocking	<u>8 705,135</u>	<u>0,000</u>
Total	151 031,198	115 172,000

AC3- Bank blocking

	31/12/2023	31/12/2022
Supplier Advance and deposit	2 153,000	0,000
Prepaid expenses	8 672,905	8 499,000
Accrued income	<u>1 190,000</u>	<u>1 190,000</u>
Total	12 015,905	9 689,000

AC8- Tangible fixed assets

	31/12/2023	31/12/2022
Office equipment	53 789,215	53 789,215
Computer equipment	6 383,152	6 383,152
Depreciation of office equipment	-53 789,215	-53 395,485
Depreciation of Computer equipment	<u>-5 939,718</u>	<u>-5 574,385</u>
Total	443,434	1 202,497

PA2. Other current liabilities:

	31/12/2023	31/12/2022
Withholding tax and other tax liabilities	9 227,212	10 556,752
Social security charges payable	19 035,847	5 517,780
Provision for paid leave	18 305,104	8 297,420
Other accrued expenses	5 075,730	5 600,000
Other credit balances	<u>117,735</u>	<u>118,000</u>
Total	51 761,628	30 089,952

PA3 - Suppliers and related accounts

	31/12/2023	31/12/2022
KPMG	36,819	1 136,114
ACW	3 595,990	0,000
B2A	5 630,786	0,000
Magasin Général	139,610	0,000
MULTICAM PRODUCTION	0,000	81,520
SESB	982,586	<u>434,522</u>
Total	10 385,791	1 652,156

AN6 - Surplus or deficit brought forward

	31/12/2023	31/12/2022
Reported result	<u>94 321,087</u>	<u>111 336,450</u>
Total	94 321,087	111 336,450

AN7 - Surplus or deficit for the year

	31/12/2023	31/12/2022
Result for the year	<u>7 022,031</u>	<u>-17 015,363</u>
Total	7 022,031	-17 015,363

NOTES TO THE STATEMENT OF INCOME AND EXPENSES

PR5. Donations and grants received

	31/12/2023	31/12/2022
HARVARD GRSS US	<u>424 481,094</u>	<u>310 666,834</u>
Total	424 481,094	310 666,834

PR8. Other gains

	31/12/2023	31/12/2022
Income from ordinary activities	<u>1,04</u>	<u>1,224</u>
Total	1,04	1,224

CH1. Purchases of supplies and consumables

	31/12/2023	31/12/2022
Office supplies	217,100	2 372,673
Event supplies	0,000	3 035,700
Consumable supplies	195,614	82,130
Fuel	0,000	380,000
Photocopying and printing	40,250	0,000
Electricity & Water	<u>1 153,000</u>	<u>3 189,900</u>
Total	1 605,964	9 060,403

CH2. Staff costs

	31/12/2023	31/12/2022
Wages and salary supplements	143 905,919	82 207,410
Statutory social security contributions	38 810,337	18 508,000
Total	182 716,256	100 715,410

CH3. Depreciation, amortisation and provisions

	31/12/2023	31/12/2022
Depreciation of tangible fixed assets	<u>759,063</u>	<u>824,000</u>
Total	759,063	824,000

CH4. Other current expenses

	31/12/2023	31/12/2022
Office rent	130 721,461	124 500,000
Trustee fees	8 150,210	7 762,115
Maintenance and repairs	8 792,191	7 129,598
Insurance premium	17 171,753	16 309,475
External expenses	6 069,000	2 881,756
Honorarium	44 092,344	40 316,513
Advertising, publications and public relations	741,378	4 058,927
Transport and travel	448,000	97,000
Missions and receptions	11 612,960	11 065,274
Postage and telecommunications costs	1 778,007	1 486,890
Banking and similar services	910,826	603,330
Taxes	<u>1 780,157</u>	<u>813,978</u>
Total	232 268,287	217 024,856

Depreciation at 31/12/2023

Code	Designation	Departure date	Rates	Value at 01/01/2023	Acquisition 2023	Value at 31/12/2023	Previous economic depreciation	Economic allowances for the year	Total depreciation at 31/12/2023	Net book value at 31/12/2023
EB	EQUIPEMENT DE BUREAU									
EB0001	LOT DE MOBILIER DU BUREAU		20.00%	53 789,215		53 789,215	53 395,485	393,730	53 789,215	0,000
	Total EQUIPEMENT DE BUREAU			53 789,215	0,000	53 789,215	53 395,485	393,730	53 789,215	0,000
MI	MATERIEL INFORMATIQUE									
MI0001	LOT DE MATERIEL INFORMATI		33.33%	5 287,152		5 287,152	5 287,152		5 287,152	0,000
MI0002	ENREGISTREUR NUMER PORT	19/03/2022	33.33%	1 096,000		1 096,000	287,233	365,333	652,566	443,434
	Total MATERIEL INFORMATIQUE			6 383,152	0,000	6 383,152	5 574,385	365,333	5 939,718	443,434
TOTAUX DES IMMOBILISATIONS				60 172,367	0,000	60 172,367	58 969,870	759,063	59 728,933	443,434