



*This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditor's report includes information required by French law, such as the verification of the management report and other documents provided to the shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **Fédération Handicap International**

Year ended December 31, 2020

### **Statutory auditor's report on the combined financial statements**

ERNST & YOUNG et Autres



## Fédération Handicap International

Year ended December 31, 2020

### Statutory auditor's report on the combined financial statements

To the Annual General Meeting of Fédération Handicap international,

#### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying combined financial statements of Fédération Handicap International for the year ended December 31, 2020.

In our opinion, the combined financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

#### Basis for Opinion

##### ■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Combined Financial Statements* section of our report.

##### ■ Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from January 1, 2020 to the date of our report.

#### Emphasis of Matter

We draw your attention to the following matter described in Note "4.2 Change in accounting policy" to the combined financial statements relating to the application of ANC regulation no. 2018-06 as of fiscal years beginning on or after January 1, 2020. Our opinion is not modified in respect of this matter.



## Justification of Assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the combined financial statements of the current period.

These matters were addressed in the context of our audit of the combined financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the combined financial statements.

As part of our assessment of the accounting principles followed by your Association, we have verified that the information contained in the terms and conditions applied to prepare the annual use-of-funds statement described in Note "10.4 Accounting rules and methods applicable to the use-of-funds statement" to the combined financial statements is correct, that such terms and conditions comply with the preparation bases described in the Notes to the combined financial statements and that they were correctly applied.

## Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information given in the Group management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the combined financial statements.

## Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 it is expected to liquidate the Company or to cease operations.

The combined financial statements were approved by Board of Directors.



## Statutory Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our role is to issue a report on the combined financial statements. Our objective is to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 combined financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the combined financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- ▶ Obtains 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 internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the combined financial statements.
- ▶ Assesses 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. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the combined financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the combined financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the combined financial statements and for the opinion expressed on these combined financial statements.



Lyon, June 11, 2021

The Statutory Auditor  
*French original signed by*  
ERNST & YOUNG et Autres

Lionel Denjean



# REPORT ON THE COMBINED ACCOUNTS 2020 FEDERAL HANDICAP INTERNATIONAL NETWORK

COMBINED ACCOUNTS AT 31/12/2020

## ASSET BALANCE SHEET

ASSET BALANCE SHEET (IN EUROS)		REF ANNEX	FINANCIAL YEAR N (according to ANC 2018-06)			FINANCIAL YEAR N-1 (according to CRC 99-01)
			GROSS	DEPRECIATI ON AND AMORTIZATI ON	NET	NET
FIXED ASSETS	<b>Intangible assets</b>	<b>5.1</b>	<b>3.305.279</b>	<b>1.610.930</b>	<b>1.694.348</b>	<b>1.247.625</b>
	Concessions, patents, licences, trademarks, processes, software		2.764.763	1.610.930	1.153.833	351.635
	Commercial fund		12.958	-	12.958	12.958
	Intangible assets in progress		527.557	-	527.557	883.032
	<b>Tangible assets</b>	<b>5.2</b>	<b>28.520.968</b>	<b>13.651.463</b>	<b>14.869.505</b>	<b>13.450.012</b>
	Land		1.400.000	-	1.400.000	1.400.000
	Buildings		7.404.875	2.768.436	4.636.439	4.988.607
	Technical installations, industrial equipment and tools		2.304.983	1.548.927	756.057	1.249.354
	Other tangible assets		13.878.679	9.334.100	4.544.579	5.151.587
	Property, plant and equipment in progress		152.973	-	152.973	415.397
	Advance payments		95.562	-	95.562	245.067
	Assets received by legacies or donation to be disposed of	<b>5.3</b>	3.283.896	-	3.283.896	-
	<b>Financial assets</b>	<b>5.4</b>	<b>1.329.161</b>	<b>654</b>	<b>1.328.507</b>	<b>1.315.230</b>
	Shareholdings and related receivables		100.150	-	100.150	100.150
	Other fixed assets		516.297	-	516.297	510.181
	Other financial assets		712.714	654	712.060	704.899
	<b>TOTAL I</b>		<b>33.155.407</b>	<b>15.263.047</b>	<b>17.892.360</b>	<b>16.012.866</b>
CURRENT ASSETS	Stocks and work in progress	<b>5.5</b>	688.445	5.875	682.570	819.187
	Advances and deposits paid on orders		495.343	-	495.343	250.244
	Customer receivables and related accounts	<b>5.6.1</b>	1.013.925	28.544	985.381	1.195.551
	Receivables received by legacies or donation	<b>5.6.1</b>	3.331.408	-	3.331.408	-
	Receivables Institutional donor	<b>5.6.1</b>	177.274.468	-	177.274.468	15.378.396
	Other receivables	<b>5.6.1</b>	14.429.889	-	14.429.889	13.813.276
	Advance missions	<b>5.6.1</b>	12.776.736	-	12.776.736	12.407.018
	Marketable securities		1.006.907	-	1.006.907	1.006.907
	Cash and cash equivalents	<b>5.7</b>	50.982.559	-	50.982.559	45.466.063
	Prepaid expenses	<b>5.6.2</b>	1.673.680	-	1.673.680	1.772.007
	<b>TOTAL II</b>		<b>263.673.360</b>	<b>34.419</b>	<b>263.638.940</b>	<b>92.108.649</b>
Debt issuance costs (III)			-		-	-
Loan repayment premiums (IV)			-		-	-
Translation adjustment assets (V)		<b>5.8</b>	1.815.860		1.815.860	358.844
<b>GRAND TOTAL (I+II+III+IV+V)</b>			<b>289.644.627</b>	<b>15.297.467</b>	<b>283.347.160</b>	<b>108.480.359</b>

## LIABILITY BALANCE SHEET

LIABILITY BALANCE SHEET (IN EUROS)		REF ANNEX	FINANCIAL YEAR N (according to ANC 2018-06)	FINANCIAL YEAR N-1 (according to CRC 99- 01)
OWN FUNDS	Equity without right of withdrawal		-	-
	Equity with right of withdrawal		-	-
	Reserves		35.991.716	29.640.922
	Statutory or contractual reserves		6.098	6.098
	Reserves for entity projects		23.832.841	22.749.478
	Unused restricted funds collected from the public		2.604.153	2.604.153
	Other		183.886	214.534
	Retained earnings		3.298.539	3.020.480
	Surplus or deficit for the year		6.066.199	1.046.179
	<b>Net position</b>		<b>2.391.409</b>	<b>3.205.057</b>
	Consumable equity		-	-
	Investment grants		2.391.409	3.205.057
	Regulated provisions		-	-
	<b>Total I</b>	<b>6.1</b>	<b>38.383.125</b>	<b>32.845.979</b>
FUNDS CARRIED OVER AND	Deferred funds related to legacies or donations	<b>6.3.2</b>	5.728.467	-
	Dedicated funds	<b>6.3.1</b>	1.246.232	919.518
	<b>Total II</b>		<b>6.974.699</b>	<b>919.518</b>
PROVISIONS	Provisions for risks	<b>6.4.1</b>	3.944.378	2.286.823
	Provisions for charges	<b>6.4.1</b>	1.908.911	831.405
	Provisions for charges on legacies or donations	<b>6.4.2</b>	106.071	-
	<b>Total III</b>		<b>5.959.360</b>	<b>3.118.228</b>
DEBTS	Loans and debts with credit institutions	<b>6.5.1</b>	2.361.714	3.324.790
	Borrowings and other financial liabilities	<b>6.5.2</b>	30.848	30.195
	Customer payables and related accounts	<b>6.5.2</b>	3.986.837	4.462.698
	Tax and social security liabilities	<b>6.5.2</b>	9.303.893	8.344.549
	Debts on fixed assets and related accounts	<b>6.5.1</b>	150.200	-
	Debts from legacies or donations	<b>6.5.1</b>	759.237	-
	Institutional donor' debts	<b>6.5.1</b>	3.672.988	43.305.357
	Other debts	<b>6.5.1</b>	16.818.317	10.577.839
	Deferred income	<b>6.5.3</b>	194.945.943	1.185.750
	<b>Total IV</b>		<b>232.029.977</b>	<b>71.231.177</b>
	Translation differences Liabilities (V)		-	365.457
	<b>GRAND TOTAL (I+II+III+IV+V)</b>		<b>283.347.160</b>	<b>108.480.359</b>

## PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (IN EUROS)		REF ANNEX	FINANCIAL YEAR N (according to ANC 2018-06)	FINANCIAL YEAR N-1 (according to CRC 99- 01)
OPERATING INCOME	Contributions		7.926	-
	Sales of goods and services		-	-
	- Sales of goods		2.879.437	-
	o of which sales of donations in kind			-
	- Sales of services		1.030.528	-
	o of which sponsorships		-	-
	Income from third-party funders		-	-
	- Public funding and operating subsidies		214.104	148.672
	- Payments from founders or consumption of the expendable endowment		-	-
	- Payments to national public Institutional donor		100.072.744	83.410.206
	- Payments to international public Institutional donor		56.969.299	56.495.509
	- Payments to national private Institutional donor		9.822.754	13.112.172
	- Resources from public generosity :		-	-
	o Manual donations		49.893.507	-
	o Patronage		426.390	-
	o Legacies, gifts and life insurance		5.477.472	-
	- Financial contributions		698.870	-
	Donations, legacies and sponsorships		-	54.635.138
	Reversals of depreciation, impairment, provisions and expense transfers		1.839.737	808.170
	Use of dedicated funds		504.752	-
	Stocked production		(93.730)	(48.382)
	Capitalized production		290.583	171.067
	Other products		3.278.510	8.241.029
Total I		7.1	233.312.883	216.973.580
OPERATING EXPENSES	Purchases of raw materials, goods and other supplies		844.812	883.434
	Change in raw material inventories		125.377	(83.417)
	Other purchases and external charges		69.012.712	72.328.574
	Financial aid paid by the entity		51.950.325	-
	Taxes and similar payments		2.554.236	2.369.272
	Wages and salaries		74.699.907	72.007.218
	Social security charges		16.618.529	18.305.742
	Depreciation and amortisation		2.933.330	3.057.694
	Allocation to provisions		4.370.824	1.206.974
	Dedicated funds carried forward		831.466	-
	Other expenses		3.337.583	44.564.709
	Total II	7.2	227.279.101	214.640.199
1. OPERATING RESULT (I-II)			6.033.782	2.333.381

## PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (IN EUROS)		REF ANNEX	FINANCIAL YEAR N (according to ANC 2018-06)	FINANCIAL YEAR N-1 (according to CRC 99- 01)
FINANCIAL PRODUCTS	Other interest and similar income		61.643	89.211
	Positive exchange rate differences		343.014	498.938
	<b>Total III</b>		<b>404.656</b>	<b>588.149</b>
FINANCIAL EXPENSES	Depreciation, amortisation and provisions		4	650
	Interest and similar charges		87.540	115.175
	Negative exchange rate differences		1.789.748	787.520
	<b>Total IV</b>		<b>1.877.292</b>	<b>903.346</b>
<b>2. FINANCIAL RESULT (III-IV)</b>		<b>7.3</b>	<b>(1.472.636)</b>	<b>(315.196)</b>
<b>3. CURRENT INCOME before taxes (I-II+III-IV)</b>			<b>4.561.146</b>	<b>2.018.184</b>
PRODUCTS EXCEPTIONAL	Extraordinary income from management operations		2.077.466	25.853
	Extraordinary income from capital operations		95.341	19.328
	Reversals of provisions, depreciation and expense transfers		934	-
	<b>Total V</b>		<b>2.173.741</b>	<b>45.180</b>
CHARGES EXCEPTIONAL	Exceptional expenses on management operations		382.886	155.552
	Extraordinary expenses on capital transactions		68.008	129.924
	Depreciation, amortisation and provisions		83.205	13.460
	<b>Total VI</b>		<b>534.099</b>	<b>298.936</b>
<b>4. EXTRAORDINARY RESULT (V-VI)</b>		<b>7.4</b>	<b>1.639.642</b>	<b>(253.756)</b>
Carry-over of unused resources from previous years			-	387.061
Commitments to be made from Dedicated resources			-	919.519
Income tax (VII)			134.590	185.792
<b>TOTAL INCOME (I+III+V)</b>			<b>235.891.280</b>	<b>217.993.970</b>
<b>TOTAL EXPENSES (II+IV+VI+VII)</b>			<b>229.825.082</b>	<b>216.947.791</b>
<b>SURPLUS OR DEFICIT</b>			<b>6.066.199</b>	<b>1.046.179</b>

## VOLUNTARY CONTRIBUTIONS IN KIND

VOLUNTARY CONTRIBUTIONS IN KIND (IN EUROS)	REF ANNEX	FINANCIAL YEAR N (according to ANC 2018-06)	FINANCIAL YEAR N-1 (according to CRC 99- 01)
Donations in kind		147.540	43.917
Benefits in kind		6.518.530	9.837.739
Volunteering		181.602	103.259
<b>TOTAL PRODUCTS</b>	<b>9.1</b>	<b>6.847.672</b>	<b>9.984.916</b>
Relief in kind		146.563	43.917
Provision of goods free of charge		29.131	14.622
Benefits in kind		6.490.376	9.823.117
Volunteer staff		181.602	103.259
<b>TOTAL EXPENSES</b>	<b>9.1</b>	<b>6.847.672</b>	<b>9.984.916</b>

## NOTES TO THE COMBINED ACCOUNTS

ASSET BALANCE SHEET .....	1
LIABILITY BALANCE SHEET .....	2
PROFIT AND LOSS ACCOUNT .....	3
PROFIT AND LOSS ACCOUNT .....	4
VOLUNTARY CONTRIBUTIONS IN KIND .....	5
<b>1. PRESENTATION OF THE HI NETWORK.....</b>	<b>8</b>
<b>2. SCOPE AND METHOD OF COMBINING ACCOUNTS .....</b>	<b>12</b>
<b>3. SIGNIFICANT FACTS.....</b>	<b>13</b>
3.1. SIGNIFICANT EVENTS OF THE YEAR.....	13
3.2. SIGNIFICANT ACCOUNTING EVENTS OF THE YEAR .....	14
3.3. EVENTS AFTER THE BALANCE SHEET DATE .....	14
<b>4. ACCOUNTING RULES AND METHODS.....</b>	<b>14</b>
4.1. SCOPE AND ACCOUNTING POLICY.....	14
4.2. CHANGE IN ACCOUNTING POLICY .....	14
<b>5. FURTHER INFORMATION ON BALANCE SHEET ITEMS - ASSETS.....</b>	<b>17</b>
5.1. INTANGIBLE ASSETS AND AMORTISATION .....	17
5.2. TANGIBLE ASSETS AND DEPRECIATION.....	18
5.3. FIXED ASSETS OF LEGACIES .....	19
5.4. FINANCIAL ASSETS.....	20
5.5. STOCKS .....	21
5.6. RECEIVABLES .....	22
5.7. CASH AND CASH EQUIVALENTS .....	24
5.8. CONVERSION DIFFERENCE .....	24
<b>6. ADDITIONAL INFORMATION ON BALANCE SHEET ITEMS - LIABILITIES.....</b>	<b>25</b>
6.1. EQUITY .....	25
6.2. INVESTMENT GRANTS.....	25
6.3. DEDICATED FUNDS AND DEFERRED FUNDS .....	26
6.4. PROVISIONS FOR LIABILITIES AND CHARGES.....	28
6.5. DEBTS.....	29
<b>7. ADDITIONAL INFORMATION ON PROFIT AND LOSS ACCOUNTITEMS.....</b>	<b>31</b>
7.1. DETAIL OF OPERATING INCOME .....	31
7.2. DETAILS OF OPERATING EXPENSES .....	32
7.3. FINANCIAL RESULT .....	32
7.4. EXCEPTIONAL RESULT .....	32
<b>8. OFF-BALANCE SHEET COMMITMENTS.....</b>	<b>32</b>
8.1. COMMITMENTS GIVEN FOR RETIREMENT BENEFITS .....	32
8.2. COMMITMENT GIVEN OF LATENT SOCIAL LIABILITIES.....	33
8.3. COMMITMENTS RECEIVED .....	33
<b>9. FURTHER INFORMATION.....</b>	<b>34</b>
9.1. VALUING VOLUNTEER WORK AND IN-KIND CONTRIBUTIONS.....	34
9.2. TAX REGIME.....	35
9.3. BREAKDOWN OF THE ASSOCIATION'S SALARIED STAFF .....	35
9.4. REMUNERATION PAID TO MANAGEMENT BODIES .....	36
<b>10. ANNUAL USE OF RESOURCES ACCOUNT AND PROFIT AND LOSS ACCOUNTBY ORIGIN AND DESTINATION .....</b>	<b>37</b>
10.1.TABLE CROD - PROFIT AND LOSS ACCOUNTBY ORIGIN AND DESTINATION .....	37
10.2.TABLE CER - ANNUAL ACCOUNT OF RESOURCES COLLECTED FROM THE PUBLIC .....	40
10.3.TABLE CER 2019 - ANNUAL ACCOUNT OF RESOURCES COLLECTED FROM THE PUBLIC 2019 .....	42
10.4.RULES AND METHODS FOR THE PREPARATION OF THE PROFIT AND LOSS ACCOUNTBY ORIGIN AND DESTINATION (CROD) AND THE CER.....	45

10.5.CONTENT OF THE JOBS HEADINGS .....	46
10.6.THE RESOURCES .....	49
10.7.MONITORING OF RESOURCES COLLECTED FROM THE PUBLIC.....	50
10.8.VALUATION OF CONTRIBUTIONS IN KIND AND FREE GIFTS .....	51
<b>11. DETAILS OF DONOR FUNDING .....</b>	<b>52</b>

## 1. PRESENTATION OF THE HI NETWORK

### A mission of international solidarity

Handicap International is an independent and impartial international solidarity organization, working in situations of poverty and exclusion, conflict and disaster. Working alongside people with disabilities and vulnerable populations, it acts and speaks out to meet their essential needs, improve their living conditions and promote respect for their dignity and fundamental rights.

Handicap International was awarded the Nobel Peace Prize in 1997 for its work in the International Campaign to Ban Landmines. Since 1999, the organization has had special consultative status with the United Nations.

In 2008, the Nansen Award recognizes the work of deminers in mine action projects in South Lebanon.

In 2011, the Conrad N. Hilton Humanitarian Award is awarded to the association for its overall commitment to people with disabilities living in situations of poverty, exclusion, conflict or natural disasters.

In 2018, the Handicap International movement became Humanity & Inclusion (HI). On the occasion of its 35th anniversary, the global Handicap International movement has changed its name to Humanity & Inclusion. This new name is based on the affirmation of a central value for our organization, the value of humanity. It also expresses the ambition that has motivated our actions for thirty-five years: the inclusion of people with disabilities and vulnerable populations, who are all too often left behind.

### Our statutory purpose

"To help people suffering from deficiencies or disabilities, whatever their nature and cause, on the national territory and in all regions of the world. It is also part of the association's purpose to implement any action for the prevention of disability situations in medical, scientific, social, technical and legal fields.

The association may decide to give its human, material and financial support to other associations, whether French or foreign, whose activity would allow the implementation of common actions that could lead to the realization of multidisciplinary programs.

Finally, the association may report or publicize any situation that is contrary to human rights. It may also associate itself with any similar initiative emanating from another organization".

### Our vision

Outraged by the injustice experienced by people with disabilities and vulnerable populations, we aspire to a world of solidarity and inclusion, where all differences enrich us and where everyone can "live upright".

### Our mission

HI is an independent and impartial international solidarity organization, working in situations of poverty and exclusion, conflict and disaster. Working alongside people with disabilities and vulnerable populations, it acts and speaks out to meet their basic needs, improve their living conditions and promote respect for their dignity and fundamental rights.

### How we work

It intervenes in emergency, post-emergency, reconstruction and development contexts. Whenever possible, HI works in partnership with local associations and the authorities of the country in which it intervenes.

### **The beneficiaries**

In 59 countries, HI works with populations at risk of disease, violence or disabling accidents, with vulnerable populations and in particular people with disabilities and people living with chronic disabling diseases, with refugee or disaster populations and with populations exposed to the danger of weapons, munitions and explosive devices.

### **Our values**

#### **Humanity**

The value of humanity is the basis of our solidarity action. We consider each person, without discrimination, and recognize the dignity of each person. Our action is marked by respect, benevolence and humility.

#### **Inclusion**

We promote the inclusion of everyone in society and the participation of all, respecting diversity, equity and individual choice. We recognize difference as an asset.

#### **Commitment**

We commit ourselves with determination, enthusiasm and audacity to develop adapted, pragmatic and innovative responses. We act and mobilize around us to fight injustice.

#### **Integrity**

We act in an independent, professional, disinterested and transparent manner.

### **The functioning of the federal network**

Created in 2009, it includes the Federation and eight National Associations. The HI Institute, created in 2015, has joined this HI network.

Its structure in the form of a Federation and national associations, which is unique in the humanitarian sphere, enables it to reaffirm its capacity to mobilize human and financial resources for a collective cause: the fight against injustice to the most vulnerable populations.

The HI Federation ensures the cohesion of the network, the coherence of action and the global strategy and carries out the implementation of the social missions common to the federal network.

The National Associations members of the network are: France (1982, founding association), Belgium (1986), Switzerland (1996), Luxembourg (1997), Germany (1998), United Kingdom (1999), Canada (2003), and United States (2006).

Each member association is represented at the Federation HI General Assembly, which elects the federal Board of Directors. The French association, as a founding member, has a leading role in the governance of the Federation.

Operating rules within the HI federal network have been defined concerning collaboration and financial management. These rules govern the allocation of financial resources collected by the national associations (donations, public and private funding, etc.) and the implementation of the operational projects they finance.

## **Our social missions / the missions of Federation HI and the network's member associations:**

### **The Handicap International Federation has a twofold mission:**

#### **A mission of international solidarity**

Federation HI's action is aimed at all territories:

- To populations at risk of disease, violence or disabling accidents;
- Vulnerable populations and in particular people with disabilities and people living with chronic disabling diseases;
- Refugee populations and populations affected or displaced by crises, conflicts and disasters, including the particularly vulnerable, the injured and the disabled;
- To populations exposed to the danger of weapons, munitions and explosive devices in armed conflicts or their aftermath.

The aim of the HI Federation's actions is:

- To achieve rapid and sustainable improvement in the living conditions of individuals, communities and populations, aiming at the highest possible level of well-being;
- In crises, to preserve the life, integrity and dignity of victims and affected persons through appropriate relief and solutions.

The mission of the HI Federation is to achieve:

- By working directly with the populations concerned, and within them, with vulnerable groups and people with disabilities;
- By coordinating our activities, establishing partnerships or supporting other operators;
- By assuming our role as a non-governmental, non-denominational, non-political and non-profit organization towards the people benefiting from our actions, national and international institutions, professional bodies and public opinion;
- By influencing the behavior and policies of stakeholders and institutions through dialogue, dissemination of Handicap International's principles and recommendations, and reference to the relevant conventional instruments relating to human rights and international humanitarian law.

### **The HI Federation is also responsible for the management and coordination of the HI Federal Network**

The Federation embodies at the supranational level the federal network it forms with its member associations (the "**Federal Network**"). It has the authority and responsibility to :

- To guarantee the pre-eminence of the general and global interest of Handicap International's mission over the interest of each of its member associations and the national issues that may be related to them;
- Establish the multi-annual strategy of the Federal Network;
- To monitor the national implementation of the multi-annual strategy by its various member associations;
- To define the policies and operating rules that are binding on the whole network and to monitor compliance by its member associations;
- To decide and conduct, exclusively, the operational activity of international solidarity projects on behalf of its member associations;
- To implement the network's advocacy and political action at the international level and in countries where it does not have a member association, and to ensure the coherence of the advocacy actions carried out at the national level by its member associations;
- Develop the Federal Network by creating or integrating new member associations of the Federation;
- To create any new entity to promote the interests of the Federal Network.

### **The Missions of the member associations:**

The National Associations represent HI in the country where they are based and help to achieve the objectives of the HI federal network. They mobilize financial, technical and human resources for the benefit of the programs implemented by the Federation, contribute to the development of HI's image and reputation through communication and awareness-raising activities aimed at the general public, and promote the values and positions of the federal HI network.

### **The means used**

In order to meet its objectives and achieve its corporate purpose, the association shall have the following means of action, designated according to the aim pursued, in particular by:

- Development and management of programs and actions;
- The implementation of actions in the various fields: risk prevention or management, development of personal skills and adaptation of environmental factors, according to updated methodological modalities adapted to the contexts;
- Accompanying people, associations and communities, supporting systems and technical and administrative services in the countries of intervention;
- Contributing to the orientation of national and international policies, in relation to the fields of competence and activities;
- Raising awareness, informing and mobilizing public opinion at national and international level;
- The mobilization of institutional or private financial resources, as well as financial contributions from member associations for the realization of its activities and operations;
- The recruitment and training of Federation staff, whether volunteers, employees or consultants, in order to implement actions within its mission;
- Cooperation with any association, organization, administration, collective or platform whose objectives are in line with those of Handicap International, whether on an ad hoc or permanent basis;
- Participation in or organization of professional, institutional or cultural events within its fields of competence and action; and
- The implementation of research, evaluation, information and dissemination projects aimed at the professional and institutional sectors or the general public.

For the management and coordination of the Federal Network, the Federation will pursue its objectives, in particular by:

- The regular meeting of the members of the Federation's collegiate bodies and the leaders of its member associations;
- The animation of the Federal Network in order to ensure the coherence of the actions carried out by its member associations and the cohesion of the Federal Network;
- Validation of the annual budget and multi-annual development plan of each of its member associations;
- Management of the consolidated budget of the Federal Network ;
- The permanent consolidated vision and management of the treasury available in all the entities of the Federal Network;
- The management of available funds in all entities of the Federal Network: reserves are immobilized and managed according to common rules set by the Federal Board of Directors; they enable each national association, as well as the Federation, to meet its contractual and legal obligations; the management of all surplus reserves is steered by the Federal Board of Directors,
- Arbitration of possible disagreements within the Federal Network; and
- The provision of all types of administrative services to its member associations;

## 2. SCOPE AND METHOD OF COMBINING ACCOUNTS

The combination covered the following national associations:

- Handicap International Federation
- Handicap International France
- Handicap International Germany
- Handicap International Canada
- Handicap International Luxembourg
- Handicap International United Kingdom
- Handicap International Switzerland
- Handicap International Belgium
- Handicap International USA
- HI Institute Switzerland

Their respective auditors have certified the corporate accounts of each national association.

The combination consists of :

- Aggregate the corporate accounts of all entities
- Eliminate reciprocal transactions,
- Homogenize the accounting restatements of the different entities according to the GAAP applied in the accounts of Federation HI.
- The accounts of national associations whose functional currencies are different from the euro are converted into euros as follows
  - Assets and liabilities are translated at the closing rate on 31 December 2020
  - Income and expenses in each profit and loss account are translated at the average Infoeuro exchange rate for the year.
- The functional currencies and exchange rates used for this exercise, of the national associations, are as follows

ENTITY	DEVICE	2020	
		PROFIT AND LOSS ACCOUNT	BALANCE SHEET
Handicap International Canada	CAD (Canadian dollar)	1,5274	1,5633
Handicap International Switzerland	CHF (Swiss francs)	1,0707	1,0802
Handicap International UK	GBP (pound sterling)	0,8854	0,89903
Handicap International USA	USD (US dollar)	1,1362	1,2271

The principles adopted for the restatement of differences arising from the recognition of reciprocal income and expenses are as follows:

- Expenses transferred by one National Association and not accounted for by the other, in part or in full, are included in the combined expense accounts.
- Income retroceded by one national association and not accounted for by the other is recorded in the combined income accounts.
- For retrocessions of funding allocated by foreign national associations to programs managed by the HI Federation, and in compliance with the principle of prudence, the restatement method adopted is as follows.
  - Where the HI Federation has allocated and accounted for less funding, the difference in expense to the foreign national association has been regularized.
  - Where the foreign national association has allocated and passed on less funding than that recorded by HI Federation, the difference in income recorded by HI Federation has been adjusted.

### 3. SIGNIFICANT FACTS

#### 3.1. SIGNIFICANT EVENTS OF THE YEAR

The constraints decided by all of our countries of intervention as part of the fight against the health crisis linked to Covid-19 led us to reduce or even temporarily stop some of our activities in 2020. Indeed, after an initial widespread containment at the beginning of the Covid-19 pandemic, partial or total containment for several weeks or even several months affected some of our programs.

However, wherever conditions allowed, our teams quickly adapted their activities to fight the pandemic, notably by reviewing the modalities of intervention or by implementing new projects and an operational action plan entitled B-SAFE (Basic Service Access For Everyone) to respond to the pandemic. Thus, thanks to the mobilization of our teams in the field as well as in headquarters, the growth of our programs continued, with an increase of 7% compared to 2019, reaching €166m.

At the same time, in order to take into account the initial uncertainties weighing on the activities, we immediately activated various levers to secure our resources and minimize our costs and potential losses. Among these levers, we have thus put in place, for a few weeks, in the 2<sup>nd</sup> quarter of 2020, the system of partial unemployment as of 23/03/2020 in France and 30/03/2020 in Belgium. Apart from the short time working scheme, we have not activated any other public aid schemes during the period.

In addition, due to the restriction of movement of people and the implementation of containment, particularly in France and Belgium, we have generalized for a temporary period teleworking to our employees with remote access to our servers and a videoconference system for remote meetings. This restriction on the movement of people, both on the ground and in the headquarters, resulted, among other things, in exceptional operating savings, which contributed to the substantial surplus in 2020.

However, this surplus result is mainly due to the unwavering support of private donors, and the end of the year was remarkable in terms of private fundraising.

Finally, HI was awarded two Horizon prizes by the European Union, for innovation and humanitarian aid, each worth one million euros.

### 3.2. SIGNIFICANT ACCOUNTING EVENTS OF THE YEAR

The annual accounts for the year ended 31 December 2020 were prepared in accordance with the regulation of the Autorité des Normes Comptables (French Accounting Standards Authority) n°2020-09 of 4 December 2020 amending the ANC regulation n°2014-03 relating to minor corrections.

This accounting reform has no impact on our equity but has strongly impacted the amounts recognized for unrealized exchange differences which are €2.540K for this financial year 2020 compared to €623K in 2019.

### 3.3. EVENTS AFTER THE BALANCE SHEET DATE

Nothing to report.

## 4. ACCOUNTING RULES AND METHODS

### 4.1. SCOPE AND ACCOUNTING POLICY

The combined financial statements for the year ended have been prepared and presented in accordance with the following accounting policies, taking into account the principle of prudence and independence of financial years, and on a going concern basis:

- Accounting regulation ANC 2014-03 relating to the general chart of accounts (art 833-1 to 833-2) subject to the specific provisions contained in ANC regulation n°2018-06
- The consistency and comparability of accounting information over successive periods is based on the consistency of accounting methods (valuation and recognition methods, methods of presenting the accounts, in accordance with Article 121-5 of the ANC accounting regulation no. 2014-03 ;
- The combined accounts are prepared in accordance with the VI of CRC Regulation No. 99-02, which defines the specific rules for combined accounts.
- The combined accounts are expressed in euros.
- All the accounts of the entities belonging to the network have been closed in accordance with French accounting principles in order to be integrated into the combined accounts.

### 4.2. CHANGE IN ACCOUNTING POLICY

As from financial years beginning on <sup>1</sup> January 2020, non-profit legal entities must apply ANC regulation no. 2018-06 of 5 December 2018, which replaces CRC regulation no. 99-01 of 16 February 1999.

The 2019 column of the financial statements and its accompanying notes remained consistent with the combined financial statements approved by the General Assembly in June 2020 in accordance with CRC Regulation No. 99-01. The 2020 column of the financial statements and its notes are prepared in accordance with ANC Regulation No. 2018-06.

The transition between these two regulations gives rise to changes in methods requiring specific disclosures which are reflected below and in the annex:

- Legacies, gifts and life insurance
- Institutional funds

#### **4.2.1. Legacies, gifts and life insurance**

At the time of the first application of ANC regulation No. 2018-06, all legacies and donations accepted and not yet realized at 31 December 2019 were retrospectively restated at 1 January 2020. These amounts were considered as "Commitments received" in accordance with CRC regulation 99-01 as at 31 December 2019.

Thus, as of 1 January 2020, all legacies and donations are recognized from the date of acceptance by the Board of Directors in the specific accounts as assets and liabilities.

The consideration is recognized as income, unless the testator/donor stipulates that the entity's equity be strengthened.

In the case of suspensive conditions, the recognition of legacies and donations is deferred until the last of these conditions is fulfilled. A temporary account "Legacies and donations in progress - 475" is then used.

Life insurance policies are accounted for on the date of receipt.

Temporary income and expenses are recognized in the profit and loss account in the year to which they relate until the sale of the donated or bequeathed assets is completed.

The main impacts on 1 January 2020 are as follows:

- Assets received by legacies or donation to be disposed of: 2.489.781 euros (see note 5.3)
- Receivables from legacies or donations: 3.650.430 euros (see note 5.6.1)
- Legacies and donations in progress (funds carried forward): 5.076.513 euros (see note 6.3.2)
- Provisions for charges on legacies or donations: 162.372 euros (see note 6.4.1)
- Debts on legacies and donation : 1.027.808 euros (see note 6.5.1)

This regulatory change has no impact on equity.

#### **4.2.2. Institutional funds**

These are grants awarded by institutional donors of public and private origin and intended to finance mainly the implementation of social missions. A financing agreement is established between the association and the donor, which defines the reference period (less than, equal to or greater than one year), the activities financed and the obligations to justify the expenses incurred in carrying out these activities.

The portion of the funding to be recognized as revenue in the year is determined :

- Or, by the financial report when it is made before the closing of the accounts. In this case, the sum to be allocated as income corresponds to the expenditure actually justified.
- Or, by an assessment of the expenditure incurred in the reference period of the contract, where the financial report has not been drawn up before the closure of the accounts.

Given the relatively long processing times for certain financing requests, it may happen that, although there is confirmation that the financing has been granted, this is not materialized by a written confirmation (signature of the financing contract or decision of agreement established by the donor). In this case, the financing is recognized as accrued income, but a provision for risks for the same amount is recognized as an expense for the year.

From this year onwards, two accounting schemes are applicable for the recognition of institutional funding.

➤ **Case of funding for which the HI Federation is a signatory :**

Once a grant contract is signed by Federation HI, the entire grant is recognized as income, with a corresponding receivable from the lessor recorded as an asset on the balance sheet.

At the close of the accounts, the income is adjusted to the expenses incurred during the financial year: the portion of the grant relating to future financial years is entered at the close of the financial year in a "Deferred income from donors" account. The receivable from the donor is adjusted during the year on the basis of the donor's payments.

➤ **Case of funding for which the National Associations of the HI network are signatories:**

As implementation is carried out by the HI Federation, the portion of the funding to be recognized as income in the year is determined by the expenditure incurred by the HI Federation. The full amount of the grant is accounted for within the national associations.

At the time of the first application of the rule ANC 2018-06, all the grants granted and not yet completed at 31/12/2019 have been retrospectively restated at 01/01/2020. These amounts were not included in the CRC 99-01 regulation at 31/12/2019

The main impacts on 1 January 2020 are as follows:

	BEGINNING OF THE YEAR	CHANGE OF METHOD ANC 2018- 06	2020 AGREEMENT	PAYMENTS / ALLOCATIONS 2020	END OF YEAR
Institutional Donor' receivables and payables	(22.290.196)	211.570.513	142.099.287	(157.778.124)	173.601.479
<b>TOTAL</b>	<b>(22.290.196)</b>	<b>211.570.513</b>	<b>142.099.287</b>	<b>(157.778.124)</b>	<b>173.604.479</b>

	BEGINNING OF THE YEAR	CHANGE OF METHOD ANC 2018-06	2020 AGREEMENT	2020 ALLOCATIONS	END OF YEAR
Deferred income donors		211.838.872	142.099.287	159.139.585	194.798.575
<b>TOTAL</b>		<b>211.838.872</b>	<b>142.099.287</b>	<b>159.139.585</b>	<b>194.798.575</b>

This change in regulation has no impact on equity.

## 5. FURTHER INFORMATION ON BALANCE SHEET ITEMS - ASSETS

### 5.1. INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are valued at acquisition cost or production cost and are amortized on a straight-line basis over the following periods:

- For the purchase of standard software and licenses for a period between 1 and 3 years
- For software developments for a period of between 4 and 10 years.

#### 5.1.1. Statement of changes in intangible assets

HEADINGS	BEGINNING OF THE YEAR	ACQUISITION	DISPOSALS BY TRANSFER	TRANSFER, OBSOLES.	END OF YEAR
Concessions, patents, licences, trademarks, processes, software	2.092.211	1.031.645	-	359.093	2.764.763
Intangible assets in progress	883.032	757.521	1.112.995	-	527.557
Commercial fund	12.958	-	-	-	12.958
<b>GRAND TOTAL</b>	<b>2.988.201</b>	<b>1.789.166</b>	<b>1.112.995</b>	<b>359.093</b>	<b>3.305.279</b>

Intangible assets are mainly composed of licences, software development and our domain names "Hi.org" and "Hi.fr". It should be noted that the intangible assets relating to the HIZY project of the French national association for an amount of €359K were sold in 2020 following the termination of the project.

The intangible assets in progress are mainly related to 3 projects in progress on the implementation of information systems (CRM donors, IS Log, IS HR) which are composed of several batches and of which some batches have not yet been activated this year.

#### 5.1.2. Table of changes in depreciation

HEADINGS	BEGINNING OF THE YEAR	ALLOCATIONS	RETRIEVALS	END OF YEAR
Concessions, patents, licences, trademarks, processes, software	1.740.576	-	-	1.740.576
Other intangible asset items	-	188.107	317.753	129.645
<b>GRAND TOTAL</b>	<b>1.740.576</b>	<b>188.107</b>	<b>317.753</b>	<b>1.610.930</b>

## 5.2. TANGIBLE ASSETS AND DEPRECIATION

Tangible fixed assets are valued at their acquisition cost (purchase price and accessory costs) or at their market value when these assets are donated to the association free of charge and are depreciated on a straight-line basis over the following periods

➤ Construction	6 to 40 years
➤ Fixtures and fittings	2 to 20 years
➤ Technical installations, equipment and tools	3 to 5 years
➤ Transport equipment	3 to 5 years
➤ Office, audiovisual and computer equipment	3 to 7 years
➤ Furniture and household appliances	4 to 10 years

As of this financial year, investments made on our programs will only be in the following categories with a minimum amount of 1.500 euros and are depreciated on a straight-line basis according to the following periods

➤ Generators, solar panels	3 years
➤ Transport equipment (car, ambulance, truck...)	4 years
➤ Servers	3 years
➤ Photocopiers and printers	3 years
➤ Demining machine	4 years
➤ Construction equipment	4 years

For the headquarters, the investment threshold is 1.500 euros per asset.

The premises acquired in 2001 by the Luxembourg national association are depreciated on a straight-line basis over 25 years.

Property, plant and equipment include the purchase of Handicap International's premises in Lyon on 1 June 2014 for a total of €8 million, of which €1.4 million is classified as "land". This building is financed in parallel by an €8 million bank loan, of which €2.4 million was repaid early in 2017 to reduce the duration of the loan and the interest payable.

### 5.2.1. Statement of changes in property, plant and equipment

HEADINGS	BEGINNING OF THE YEAR	ACQUISITION	DISPOSALS BY TRANSFER	TRANSFER, OBSOLES.	END OF YEAR
Land	1.400.000				1.400.000
Buildings	7.451.894			47.019	7.404.875
Technical installations and Tools	2.894.318	154.337		743.671	2.304.983
General installations, fittings and miscellaneous	3.389.450	285.500			3.674.951
Transport Equipment	7.236.801	808.335		599.868	7.445.268
Office and computer Equipment	2.308.234	58.074		109.686	2.256.622
Other tangible assets	663.079	3.354		164.596	501.838
Property, plant and equipment in progress	415.397	360.174	622.597		152.973
Advance payments	245.067	389.960	539.465		95.562
<b>GRAND TOTAL</b>	<b>26.004.241</b>	<b>2.059.735</b>	<b>1.162.062</b>	<b>1.664.840</b>	<b>25.237.071</b>

Acquisitions during the year consisted mainly of the purchase of vehicles for the implementation of missions in the various programs.

The acquisitions of the national associations represent €45K and are mainly office and computer equipment.

### 5.2.2. Table of changes in depreciation

HEADINGS	BEGINNING OF THE YEAR	ALLOCATIONS	RETRIEVALS	END OF YEAR
Buildings	2.463.287	352.168	47.019	2.768.436
Technical installations and tools	1.644.963	630.841	726.878	1.548.927
General installations, fittings and miscellaneous	1.193.434	203.027		1.396.461
Transport equipment	4.879.261	1.280.187	595.181	5.564.267
Office and computer equipment	1.821.017	205.158	105.014	1.921.161
Other tangible assets	552.267	58.569	158.624	452.211
<b>GRAND TOTAL</b>	<b>12.554.229</b>	<b>2.729.950</b>	<b>1.632.716</b>	<b>13.651.463</b>

## 5.3. FIXED ASSETS OF LEGACIES

Legaciess are valued at their market value on the date of acceptance of the legacies.

For the legacies constituting the pre-2020 portfolio, the following were valued at the value retained at the time of acceptance by the Board of Directors

Items not identified at the date of acceptance and known subsequently do not give rise to a change in the net assets representing the legacies or donation recognized at the date of acceptance.

These items have been recognized as income and expenses as they arise.

HEADINGS	BEGINNING OF THE YEAR	TOTAL AMOUNT WITH REGULATION ANC 2018-06	ACQUISITION	TRANSFER	END OF YEAR
Assets received by legacies or donation for disposal	-	2.489.781	1.703.905	909.791	3.283.896
<b>GRAND TOTAL</b>	-	<b>2.489.781</b>	<b>1.703.905</b>	<b>909.791</b>	<b>3.283.896</b>

The total amount with ANC regulation 2918-06 corresponds to the amount of assets received by legacies before 2020 and which were not recorded in the accounts in 2019 under "Commitments received" in accordance with CRC regulation 99-01.

Acquisitions concern assets received in 2020 from legacies, accepted by the Board of Directors and not sold by 31 December 2020.

Disposals relate to sales made during the year.

## 5.4. FINANCIAL ASSETS

These fixed assets include, on the one hand, participating interests and related receivables and, on the other hand, other financial assets, such as long-term advances granted to third parties and deposits and guarantees paid.

Equity investments and other long-term investments are valued at the price for which they were acquired, excluding costs incurred for their acquisition.

A provision for impairment is recognized on financial advances made to other associations or other legal entities where recovery is uncertain.

A provision for depreciation is recorded on the financial investments held by the association according to their financial situation.

### 5.4.1. Statement of changes in financial assets / deposits and guarantees

HEADINGS	BEGINNING OF THE YEAR	ACQUISITION	DISPOSAL BY TRANSFER	TRANSFER OBSOLES.	END OF YEAR
Other participations	100.150	-	-	-	100.150
Loans and other financial assets	1.215.730	174.681	-	161.400	1.229.011
<b>GRAND TOTAL</b>	<b>1.315.880</b>	<b>174.681</b>	<b>-</b>	<b>161.400</b>	<b>1.329.161</b>

This item consists mainly of deposits and guarantees paid by :

- Handicap International headquarters and national associations for an amount of €111K.
- Handicap International's programs abroad for an amount of €601K.

The deposits and guarantees of the programs correspond to the guarantee deposits paid for the rental of offices and housing.

In 2018, Federation HI took out a 100% euro fund capitalization contract of €500K with the insurer CARDIF. This investment is in line with the organization's prudent investment policy and offers a higher return than DAT (Term Deposits), passbook accounts and interest-bearing accounts.

## 5.5. STOCKS

The gross value of goods and supplies includes the purchase price and incidental costs.

Inventories of finished goods, merchandise and materials are valued at the last known purchase price.

Inventories have, where necessary, been written down to their current value at the year-end date.

The exception to this rule is the stock of supplies and materials relating to shelters made by the association on the programs, but intended to be allocated to the beneficiaries at the end of the project, so that neither ownership nor use reverts to the association.

Furthermore, these shelters are fully financed by institutional donors. Thus, all the expenses related to these constructions are recorded as expenses and the corresponding financing as income.

INVENTORIES AND WORK IN PROGRESS (GROSS AMOUNTS)	31/12/2020	31/12/2019
Raw materials, procurement	625.450	750.043
Intermediate and finished products	57.699	73.296
Goods	5.296	2.037
<b>GRAND TOTAL</b>	<b>688.445</b>	<b>825.376</b>
<b>DEPRECIATION OF STOCKS</b>	<b>5.875</b>	<b>6.189</b>
<b>TOTAL NET OF DEPRECIATION</b>	<b>682.570</b>	<b>819.187</b>

The stock of raw materials and supplies consists mainly of a stock of emergency kits at the HI Federation, which at the end of this financial year amounted to €517K gross.

The balance of raw materials and finished products relates to the solidarity products "Plio Kits", "Christmas Tree Bags", "Gift Pouches" and "Tablecloths" which are manufactured and marketed within the French national association.

The stock of goods consists of products bought and resold in our solidarity shop in France and are fully depreciated.

The depreciation of stock corresponds solely to the "tablecloth" products of the French national association, which are depreciated in their entirety.

## 5.6. RECEIVABLES

Receivables are recorded at their nominal value. A provision for depreciation is made when there is a risk of non-recovery.

This item includes "cash advances to programs". Thus, the total mentioned under the heading "Advances to Missions" corresponds to the amount of cash available at the closing date of the financial year for all programs. Although this item is made up of the cash available in each mission, these sums are not intended to be recovered by the association's head office but will be justified by future expenditure and therefore used exclusively in the context of the mission. The presentation in this balance sheet item therefore reflects the unavailability of these sums to the association's headquarters.

Where transactions are conducted in foreign currencies, the conversion method used is as follows:

- Transfers made abroad are converted according to the bank's exchange rate.
- All expenditure and income denominated in foreign currency are converted at the InforEuro rate of the month of expenditure.

Receivables and payables denominated in foreign currencies at the end of the financial year are converted on the basis of the exchange rate in force at the end of the financial year under the heading "conversion difference". Unrealized exchange losses are subject to a provision for risks.

### 5.6.1. Maturity of receivables at year-end

STATEMENT OF RECEIVABLES	GROSS AMOUNT	1 YEAR OR LESS	OVER 1 YEAR
Receivables from equity investments	100.150		100.150
Other financial assets	1.229.011		1.229.011
Doubtful or disputed customers	7.150	7.150	
Other receivables	1.006.775	1.006.775	
Personnel and related accounts	76.910	76.910	
State, other authorities: income tax	32.689	32.689	
State, other authorities: value added tax	5.421	5.421	
State, other local authorities: other taxes, levies and similar payments	122.841	122.841	
Receivables received by legacies or donation	3.331.408	3.331.408	
Claims with HI Network members	14.104	14.104	
Institutional Donors	177.274.468	177.274.468	
Advance missions	12.776.736	12.776.736	
Partners / Suppliers projects missions	10.661.943	10.661.943	
Income and donations receivable	2.419.881	2.419.881	
Miscellaneous debtors	1.591.443	1.591.443	
Prepaid expenses	1.673.680	1.673.680	
<b>GRAND TOTAL</b>	<b>212.324.610</b>	<b>210.995.449</b>	<b>1.329.161</b>

Other "trade receivables" are represented for €976K by receivables related to solidarity products and mail order sales of the French national association.

Receivables received by legacies or donation" relate to bank receivables of which €3.651K correspond to the initial stock at 1 January 2020. These receivables have been accepted by the Board of Directors and represent the amount to be received from liquidations or sales of current assets at 31 December 2020. These receivables are classified at less than one year due to their liquid nature.

### 5.6.2. Prepaid expenses

They relate to current expenses and correspond mainly to expenditure on rent, insurance in our programs and various maintenance, insurance for the Lyon headquarters and the national associations.

PREPAID EXPENSES	31/12/2020	31/12/2019
Headquarters expenditure	791.457	937.441
Field expenses	847.528	643.489
Mailing expenses	133.022	92.750
<b>GRAND TOTAL</b>	<b>1.772.007</b>	<b>1.673.680</b>

### 5.6.3. Accrued income

ACCRUED INCOME	31/12/2020	31/12/2019
<b>Trade receivables and related accounts</b>	-	266
Customers invoices to be issued	-	266
<b>Other receivables</b>	<b>2.658.173</b>	<b>3.981.666</b>
Suppliers: credit notes receivable	115.450	226.093
State: accrued income	122.841	-
Other accrued income	1.431.369	2.647.636
Donations to be cashed	988.513	1.107.937
<b>GRAND TOTAL</b>	<b>2.658.173</b>	<b>3.981.932</b>

The amount of €122K corresponds to the receivable to be recovered from the State relating to "partial unemployment" in France

The other income corresponds for €1.354K to service contracts for which payment is made according to the milestones set out in the contracts by the donors.

Donations to be cashed are cheques dated before 31 December 2020 but cashed in January 2021.

## 5.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet include cash at bank and in hand.

Cash and cash equivalents in foreign currencies are shown in the balance sheet at their equivalent value in euros at the year-end rate. Translation differences at the end of the financial year are entered in the accounts 666 "exchange losses" or 766 "exchange gains".

## 5.8. CONVERSION DIFFERENCE

Grants received in advance are shown in the balance sheet at their equivalent value in euros at the Banque de France rate on 31 December of the year.

The unrealized translation differences of these grants are calculated by currency to determine a currency position. The net result between the unrealized gains and losses of each of these currencies is recorded as an exchange difference asset for exchange losses and an exchange difference liability for exchange gains.

A provision for foreign exchange risk equivalent to the amount of unrealized losses is recognized where appropriate.

## 6. ADDITIONAL INFORMATION ON BALANCE SHEET ITEMS - LIABILITIES

### 6.1. EQUITY

The application of ANC regulation no. 2018-06 has led to changes in accounting methods, with an impact on the item "Retained earnings". Details of the retrospective application of this new regulation are provided in the notes to the financial statements, in the information relating to the item concerned and in the note Cf. point 3 "Change of accounting method".

On the other hand, changes have been generated in terms of classification within the headings making up the "Equity" item in the balance sheet. These are movements from item to item, with no impact on "Retained earnings".

#### 6.1.1. Statement of changes in equity

CHANGE IN EQUITY	AT THE BEGINNING OF THE YEAR	ALLOCATION OF THE RESULT	INCREASE	REDUCTION OR CONSUMPTION	AT THE END OF THE FINANCIAL YEAR
Statutory reserve	6.098				6.098
Revaluation differences					
Reserves allocated to the associative project	22.749.478	1.046.179	37.184		23.832.841
Unused restricted funds collected from the public	2.604.153				2.604.153
Other reserves	214.533			30.648	183.886
Retained earnings	3.020.481		278.059		3.298.539
Surplus or deficit for the year	1.046.179		6.066.199	1.046.179	6.066.199
<b>Net position</b>	<b>29.640.922</b>	<b>1.046.179</b>	<b>6.381.442</b>	<b>1.046.179</b>	<b>35.991.716</b>
Consumable equity					
Investment grants	3.205.057		(793.153)	20.495	2.391.409
Regulated provisions					
<b>TOTAL</b>	<b>32.845.979</b>	<b>1.046.179</b>	<b>5.588.289</b>	<b>1.097.322</b>	<b>38.383.125</b>

#### 6.1.2. Allocation of the result for the year

The surplus for the year, of €1.046.179, definitively acquired on 31 December 2019, was allocated after approval by the general meeting in June 2020 as funds assigned to the associative project.

### 6.2. INVESTMENT GRANTS

This item consists of grants received and used for the acquisition of fixed assets in the programs, which are then not recognized as operating income.

These grants are added back to the result of the year at the same rate as the depreciation of the assets to which they relate.

The profit recorded under operating income offsets the corresponding depreciation.

From this year onwards, grants are calculated per asset acquired in our programs according to the financing rate of each asset.

Concerning the past (grants were calculated with an average rate of financing per year for all acquisitions), no restatement is made. The rates will be identical until the end of the depreciation periods.

INVESTMENT GRANTS	BALANCE AT THE BEGINNING OF THE YEAR	CHANGES DURING THE YEAR		BALANCE AT THE END OF THE YEAR
		INCREASE	DECREASE	TOTAL AMOUNT
Allocated to non-renewable assets	-	-	-	-
Allocated to renewable assets	9.575.067	859.368	1.982.226	8.452.209
<b>TOTAL I - NOMINAL AMOUNT</b>	<b>9.575.067</b>	<b>859.368</b>	<b>1.982.226</b>	<b>8.452.209</b>
Allocated to non-renewable assets	-	-	-	-
Allocated to renewable assets	6.370.009	1.652.521	1.961.731	6.060.799
<b>TOTAL II - SHARES TRANSFERRED TO INCOME</b>	<b>6.370.009</b>	<b>1.652.521</b>	<b>1.961.731</b>	<b>6.060.799</b>
<b>NET GRANT (I-II)</b>	<b>3.205.057</b>	<b>- 793.153</b>	<b>20.495</b>	<b>2.391.410</b>

### 6.3. DEDICATED FUNDS AND DEFERRED FUNDS

#### 6.3.1. DEDICATED FUNDS

At the end of the financial year, this heading of the liabilities records the part of the resources allocated by donors, patrons or legatees to defined projects, which could not yet be used during the financial year in accordance with the commitment made to them.

Thus, when the association receives, during a given financial year, funds allocated by the donor to specific actions of social missions and these funds are not used during the financial year, the resource thus generated by these funds is cancelled by an expense of the same amount in profit and loss account and allocated to "dedicated funds".

The use of these funds in subsequent years generates income in the profit and loss account each year concerned for the amount effectively consumed and gives rise to a decrease in the "dedicated funds" item in the balance sheet for the same value.

Following the implementation of the new ANC regulation 2018-06, the change in dedicated funds is now presented at the profit and loss account level in the section relating to operating expenses and income. Thus, for the financial year 2020, the comparison of the dedicated funds at the level of the profit and loss account must be made with the data of 31 December 2019 found at the foot of the profit and loss account after the exceptional result.

CHANGE IN RESTRICTED FUNDS FROM OPERATING GRANTS	AT THE BEGINNING OF THE YEAR	REPORTS	USES		TRANSFERS	AT THE END OF THE FINANCIAL YEAR	
			Overall amount	of which reimburse ments		Overall amount	of which dedicated funds corresponding to projects with no expenditure in the last two years
ALGERIA - 20190220	-	1.775	-	-	-	1.775	-
BURKINA-NIGER - 20190065	17.823	-	17.823	-	-	-	-
CAMBODIA	236.307	208.444	-	-	-	444.751	-
CAMBODIA - 20190157	142.210	-	118.492	-	-	23.718	-
CAMBODIA - O2018085	69.972	-	65.870	-	-	4.102	-
KENYA UBUNTU	-	72.093	-	-	-	72.093	-
LAOS - 20190232	56.615	-	56.615	-	-	-	-
LEBANON BERUT BLAST EMERGENCY	-	61.461	-	-	-	61.461	-
MOZAMBIQUE	20.469	-	20.469	-	-	-	-
NEPAL - 20190119	56.575	-	-	-	-	56.575	-
NEPAL - 20190119	-	24.182	-	-	-	24.182	-
YEMEN	122.984	-	122.984	-	-	-	-
YEMEN - 20190161	20.000	-	17.997	-	-	2.003	-
MADAGASCAR	11.491	-	11.491	-	-	-	-
MADAGASCAR - 20190221	17.677	-	12.643	-	-	5.034	-
MADAGASCAR - 20190222	18.074	-	11.423	-	-	6.651	-
MADAGASCAR - 20200164	-	69.595	-	-	-	69.595	-
MADAGASCAR - 20200287	-	35.082	-	-	-	35.082	-
MALI - 20190332	25.516	-	25.516	-	-	-	-
MYANMAR THAILAND - 20200030	-	5.194	-	-	-	5.194	-
TUK - 20190138	23.429	-	23.429	-	-	-	-
LOGISTICS ATLAS - 20190237	-	118.058	-	-	-	118.058	-
DRT DSI - 20190032	14.541	-	-	-	-	14.541	-
DRT INSERTION - 20180319	32.870	-	-	-	-	32.870	-
DRT SOCIAL & INCLUSION - 20180319	-	40.908	-	-	-	40.908	-
MOTHER AND CHILD HEALTH PROJECT	32.965	23.753	-	-	-	56.718	-
COVID	-	170.921	-	-	-	170.921	-
<b>TOTAL</b>	<b>919.519</b>	<b>831.466</b>	<b>504.752</b>	<b>-</b>	<b>-</b>	<b>1.246.233</b>	<b>-</b>

### 6.3.2. DEFERRED FUNDS

At the time of the first application of ANC Regulation No. 2018-06, the association retrospectively restated the legacies and donations accepted and not yet realized at the end of the previous financial year and included in "Commitments received" in accordance with CRC Regulation No. 1999-01. This change in accounting method and the analysis of the legacies and donations concerned led the association to record "Deferred funds" for these legacies and donations.

After the date of acceptance of the legacies and donations, the part of the resources recognized as operating income during the financial year, which is not received or transferred at the end of the financial year, is recorded in a liability heading called "Deferred funds linked to legacies or donations", with a corresponding charge recorded in the "Deferred funds" account. These sums entered in liabilities under "Deferred funds linked to legacies or donations" are reported in the profit and loss account during the following financial years, as and when the legacy or donation is realized.

	BALANCE AT THE BEGINNING OF THE YEAR		CHANGES DURING THE YEAR		BALANCE AT THE END OF THE YEAR
	BEGINNING OF THE YEAR	CHANGE OF METHOD RELATED TO ANC 2018-06	INCREASE	DECREASE	TOTAL AMOUNT
TOTAL	-	5.076.512	2.771.257	2.119.302	5.728.467

### 6.4. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are established when, at the end of the financial year, the association has an obligation to a third party which is likely or certain to result in an outflow of resources to the third party, without at least equivalent consideration being expected from the latter.

#### 6.4.1. Table of provisions for liabilities and charges

HEADINGS	BEGINNING OF THE YEAR	ALLOCATIONS	RETRIEVALS	END OF YEAR
Provisions for foreign exchange losses	358.844	1.557.021	358.844	1.557.021
Other provisions for risks and charges	2.759.385	2.813.804	1.336.056	4.296.268
GRAND TOTAL	3.118.228	4.370.824	1.694.899	5.853.289

#### 6.4.2. Provisions for legacies or donations

The entity's commitment to the obligations stipulated by the testator or donor is the subject of a provision recorded in the account "Provision for charges on legacies or donations".

Liabilities are estimated as best as possible at the time the transactions are recorded, bearing in mind that most of the information is provided to us by the notaries in charge of the transactions.

HEADINGS	TOTAL AMOUNT WITH REGULATION ANC 2018- 06	ALLOCATIONS	RETRIEVALS	END OF YEAR
Provisions for charges on legacies or donations	162.372	81.005	137.306	106.071
Depreciation of assets received by legacies or donation for disposal		-	-	-
<b>GRAND TOTAL</b>	<b>162.372</b>	<b>81.005</b>	<b>137.306</b>	<b>106.071</b>

#### 6.5. DEBTS

##### 6.5.1. Maturity of debts at the end of the financial year

STATEMENT OF DEBTS	GROSS AMOUNT	1 YEAR OR LESS	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS
Borrowings and debts credit institutions	2.345.614	983.854	1.361.761	
Borrowings and other financial liabilities	46.948	46.948		
Suppliers and related accounts	3.986.837	3.986.837		
Personnel and related accounts	4.540.854	4.540.854		
Social security and other social organizations	4.257.667	4.257.667		
States and other authorities: value added tax	75.501	75.501		
States and other authorities: other taxes	429.871	429.871		
Debts on fixed assets and related accounts	150.200	150.200		
Group and associates	2.462	2.462		
Debts on legacies or donations	759.237	759.237		
Partners and suppliers of projects on our land	4.410.570	4.410.570		
Accrued expenses land	10.186.296	10.186.296		
Other debts	2.218.989	2.218.989		
Donors	3.672.988	3.672.988		
Deferred income	194.945.943	194.945.943		
<b>GRAND TOTAL</b>	<b>232.029.977</b>	<b>230.668.216</b>	<b>1.361.761</b>	

Debts arising from legacies or donations, amounting to €759.237, consist of:

- Debts which the deceased had not discharged on the day of his death;
- Debts on the property transferred to the beneficiary of the donation;

- All obligations resulting from the stipulations of the testator or donor that the entity undertakes to assume as a consequence of the acceptance of the legacy or donation.

These are shown as liabilities of up to one year as we have no visibility on the movement of legacies and donations.

Debts are estimated as best as possible at the time of recording the transactions, bearing in mind that most of the information is provided to us by the notaries in charge of the transactions.

Notaries' fees are valued and recognized as liabilities at the time of entry in the balance sheet. Any differences that may subsequently arise are recognized in the profit and loss account in the account "fees on legacies or donations held for sale".

As at 1 January 2020, liabilities related to legacies and donations amounted to €1.028K and consisted solely of liabilities relating to the French national association.

### 6.5.2. Accrued expenses

The amount of accrued expenses included in the balance sheet items is broken down as follows

ACCRUED EXPENSES	31/12/2020	31/12/2019
Borrowings and financial debts	16.100	22.779
Trade accounts payable	1.017.750	1.469.149
Tax and social security liabilities	6.778.259	5.550.677
Accrued expenses land	10.186.296	7.191.157
Accrued expenses head office	1.382.169	584.003
<b>GRAND TOTAL</b>	<b>19.380.574</b>	<b>14.817.766</b>

Tax and social security liabilities correspond for €2.119.097 to the termination benefits of fixed-term contracts due to national staff for all contracts ending after this financial year. The remainder concerns the tax and social security liabilities (RTT, CET, CP, etc.) of our international and head office staff.

The accrued land charges are mainly composed of expenses incurred by our partners and justified at the beginning of the following year.

### 6.5.3. Deferred income

Deferred income consists mainly of grants received in advance, i.e. the portion of grants due in future years.

When grants are awarded to finance actions spread over several financial years, they are allocated according to the periods or stages defined in the agreements or, failing that, pro rata temporis. The portion of grants due in future years, corresponding to grants received in advance, is recorded as a liability under "deferred income - donor grants".

DEFERRED INCOME	31/12/2020	31/12/2019
Headquarters and field revenue	147.368	1.185.750
Income from donor funding	194.798.575	-
<b>GRAND TOTAL</b>	<b>194.945.943</b>	<b>1.185.750</b>

## 7. ADDITIONAL INFORMATION ON PROFIT AND LOSS ACCOUNT ITEMS

### 7.1. DETAIL OF OPERATING INCOME

- Sales of goods for €2.879K, of which €2.854K correspond to sales of solidarity products from the French national association. It should be noted that in 2019, these sales of goods were recorded under "other income" for an amount of €2.948K, including €2.943K of sales of solidarity products from the national association France. Revenue is Recognized when the Product is delivered.
- The 166.865K€ correspond to the expenses carried out on the land and financed by financing contracts with the various institutional backers of the HI network.
- Donations include all resources from private fundraising, regardless of their destination. All income from private donations is attached to the financial year according to the date of their effective payment, or according to the fiscal year of attachment when the donation was sent before the closing date of the financial year.
- Details of legaciess, donations and life insurance as at 31 December 2020 :

<b>PRODUCTS</b>	<b>9.092.070</b>
Life insurance	2.527.067
Legacies or donations	3.625.751
Sale price of assets received by legacies or donation to be disposed of	851.553
Use of deferred funds related to legaciess or donations	2.087.699
<b>CHARGES</b>	<b>3.620.866</b>
Net book value of assets received by legacies or donation to be disposed of	882.821
Allocation to provisions for legacies or donations	-
Deferred funds related to legacies or donations	2.738.046
<b>BALANCE</b>	<b>5.471.204</b>

- The other products are for :
  - €1.072K foreign exchange gain related to foreign currency activity
  - €1.673K of Investment Grant reversal

- €533K of other miscellaneous current management income

## 7.2. DETAILS OF OPERATING EXPENSES

- The €69.013K of other purchases and external charges correspond mainly to :
  - €15.891K in purchases of studies and services
  - €10.549K for the purchase of non-capitalized supplies and equipment
  - €11.961K of property rentals and other rentals
  - €4.179K of maintenance, insurance and servicing contracts
  - €1.900K in fees
  - €8.364K of mailings, call for donations, advertising, communication support
  - €8.580K in transport and travel costs
  - €7.589K of various expenses
- The financial aid paid by the entity for €51.950K corresponds for €51.949K to expenses made by our partners or paid directly to our beneficiaries for the various projects on our land. It should be noted that these financial aids were recorded in 2019 under other expenses for an amount of €41.587K.
- The other expenses correspond to :
  - €2.918K of foreign exchange losses related to foreign currency activity.
  - €82K loss on bad debts
  - €158K of other expenses on legacies or donations
  - €180K in other miscellaneous current management income

## 7.3. FINANCIAL RESULT

Financial income and expenses correspond mainly to exchange rate differences related to the revaluation at Banque de France rates on 31 December 2020 of banks and cash in foreign currencies at the head office and in all our programs.

## 7.4. EXCEPTIONAL RESULT

The exceptional result of this financial year of €1.640K is essentially linked to the award of two innovation prizes.

## 8. OFF-BALANCE SHEET COMMITMENTS

Only the significant off-balance sheet commitments are detailed below and concern mainly the HI Federation and the French national association.

### 8.1. COMMITMENTS GIVEN FOR RETIREMENT BENEFITS

Pursuant to ANC recommendation no. 2013-02, retirement benefits are recognized when paid and do not constitute a provision.

Retirement benefits accruing to employees of the Federation HI Lyon headquarters present at the balance sheet date are estimated at €449K and for those of the national association in France at €76K.

The assumptions used for the calculation are as follows:

- Economic assumptions
  - Voluntary departures
  - Discount rate: 0.49%.
  - Annual salary increase: 1%.
  - Rate of social security contributions: 45%.
  - Retirement age :
    - If the employee is less than or equal to 45 years old, the retirement age is 67
    - If the employee is older than 45, the retirement age is 62
- Demographic assumptions
  - Staff turnover rate :
    - If the employee is younger than 50, according to the average turnover rate by employee group
    - If the employee is 50 years of age or older, the turnover rate is 0%.
  - Mortality table :
    - If the employee is less than or equal to 60 years old, according to the mortality table from INSEE data,
    - If the employee is older than 60 years, then 100% of the salary is paid to the employee.

This information is only relevant to the staff of the French National Association and the HI Federation.

## 8.2. COMMITMENT GIVEN OF LATENT SOCIAL LIABILITIES

The valuation of latent social liabilities relating to programs and corresponding to indemnities acquired by local staff at the balance sheet date and which would be payable in the event of closure of the programs concerned amounts to €5.991K for the HI Federation.

## 8.3. COMMITMENTS RECEIVED

- Loan for the purchase of the building: the repayment is guaranteed by the following securities taken by separate deeds:
  - Guarantee from the Rhône department for €1.955.274,60
  - Guarantee from the city of Lyon for € 977.637,30
- Loan for building works: the repayment is guaranteed by the following securities taken by separate deeds:
  - Guarantee from the Rhône department for €1.346.735,82
  - Guarantee from the city of Lyon for €673.367,91
- In 2018, the lease of the Paris office was renewed in the name of Federation HI. As such, Federation HI received a guarantee from LCL for an amount of €208.244.
- In 2019, Federation HI received 2 pre-financing guarantees from LCL for an amount of €46.296,11 and €45.832,94 for Burkina Faso. Grant contracts financed by the Italian Cooperation.

The commitments detailed above do not include the commitments of the entire HI network included in the scope of consolidation.

## 9. FURTHER INFORMATION

### 9.1. VALUING VOLUNTEER WORK AND IN-KIND CONTRIBUTIONS

In accordance with the accounting regulations for associations, voluntary contributions have been entered in the accounts at the foot of the profit and loss account under specific headings.

They are, by nature, free of charge and take several forms:

- Regular 'or quasi-permanent' volunteering
- Non-regular volunteering: events during the year
- Free provision of persons by third parties
- Provision of goods: a meeting room, equipment or any other goods necessary for the performance of HI's activities.
- Donations in kind received and then redistributed or consumed as is by the association.

Depending on their nature, several evaluation methods are available:

- Media plans: Visual free of charge for poster campaigns and advertising (radio, TV, Internet...) that contributed to the mobilization of the general public and the sale of shared products. The accounting is done via contracts and certificates signed with our partners. Most of the freebies are not subject to a tax receipt.
- Donations in kind and free services: All services or goods offered are subject to an invoice or a sponsorship contract. The evaluation is made by the sponsoring company at cost price. The company clearly states that the service or goods are offered. They give rise to the issue of a tax receipt.
- Skills sponsorship: This consists of a contribution in human resources, i.e. the transfer (free of charge, but with tax incentives) of skills from the company to Handicap International, through employees working during their working hours. It is to be distinguished from volunteering. It can take two forms:
  - Or a service provision
  - Or the provision of personnel.

The evaluation of this donation in kind corresponds to its cost price, i.e. the salaries and related social charges of the employees made available free of charge. From a tax point of view, skills sponsorship is treated as a donation in kind and therefore benefits from a tax reduction for the sponsoring company.
- Volunteering: "A volunteer is any person who freely commits himself/herself to carry out a non-salaried action for others, outside his/her professional and family time". A distinction is made between regular and non-regular volunteering:
  - Regular volunteers are those who work on a regular basis for part of their time in different departments in order to carry out administrative tasks such as processing donations, filing and archiving files, running a branch, supporting a project, etc. They are part of the daily life of the association.

- Non-regular volunteering corresponds to a very short commitment, half a day or a day, in the context of a demonstration or an event.

An inventory is made once a year to compile information for each service. No tax receipts are issued for "voluntary" services.

The amount of these contributions amounts to €6.848K for this financial year and is made up of €6.518K of services in kind. These benefits are due to poster campaigns and advertising costs (radio and TV spots, etc.) mainly within the American and French national associations.

## 9.2. TAX REGIME

The various national Handicap International associations have non-profit status and are therefore not taxed on the surplus generated by their operations.

However, following the tax directives issued in 1998 and the study carried out by the French administration on the activities developed by the French national association, an ancillary part of these activities was subject to commercial taxes from the 2000 financial year. In 2001, the tax authorities reviewed the scope of the association's taxable sector, corresponding mainly to the sale of its solidarity products. The income tax related to this taxation and recorded as an expense for the year 2020 amounts to €128.839.

The HI Federation has been taxed on income from movable assets for €5.760 in 2020.

## 9.3. BREAKDOWN OF THE ASSOCIATION'S SALARIED STAFF

The number of employees is defined as all persons with an employment contract and paid directly by the association.

Staff made available means staff seconded or loaned by the association.

AVERAGE WORKFORCE	2020
<b>Permanent Seats :</b>	<b>378</b>
Employees of the Handicap International Federal Network headquarters	375
Expatriates assigned to headquarters Handicap International Federation	3
<b>Staff made available to other Structures :</b>	<b>-</b>
Made available to the Espace Rhône Alpes Coopération (ERAC)	-
<b>Staff Missions :</b>	<b>375</b>
Volunteers assigned Programs	3
Employees affected Programs	59
Employees Expatriates assigned Programs	312
<b>TOTAL</b>	<b>753</b>

These numbers are calculated in full-time equivalent and do not include national staff contracted by the programs.

#### 9.4. REMUNERATION PAID TO MANAGEMENT BODIES

In accordance with the new regulations for associations, we inform you about the remuneration received by the association's officers:

The members of the board of directors of the association are volunteers and do not receive any remuneration for their mandate.

There was no reimbursement of expenses to Board members in 2020.

In the interests of transparency, we would like to point out that the total gross annualized salaries paid to the three highest paid employees amount to €358.922 for the year 2020.

## 10.ANNUAL USE OF RESOURCES ACCOUNT AND PROFIT AND LOSS ACCOUNTBY ORIGIN AND DESTINATION

### 10.1. TABLE CROD - PROFIT AND LOSS ACCOUNTBY ORIGIN AND DESTINATION

B - VOLUNTARY CONTRIBUTIONS IN KIND	YEAR 2020	
	TOTAL	Of which public generosity

A - INCOME AND EXPENSES BY ORIGIN AND DESTINATION	YEAR 2020	
	TOTAL	Of which public generosity
<b>RESSOURCES BY ORIGIN</b>		
<b>1 - RESSOURCES FROM THE PUBLIC'S GENEROSITY</b>	<b>54.717.483</b>	<b>54.717.483</b>
1.1 Contributions without counterparts		-
1.2 Donations, legacies and sponsorship	53.833.773	53.833.773
- Manual donations	47.478.653	47.478.653
- Legacies, gifts and life insurance	5.498.617	5.498.617
- Sponsorship	856.503	856.503
1.3 Other income from public generosity	883.711	883.711
<b>2 - RESSOURCES NOT RELATED TO THE PUBLIC'S GENEROSITY</b>	<b>16.747.169</b>	
2.1 Contributions with counterparts		
2.2 Business sponsorship		
2.3 Financial contributions without counterparts	2.000.000	
2.4 Other income not related to public generosity	14.747.169	
<b>3 - GRANTS AND OTHER PUBLIC SUBSIDIES</b>	<b>161.994.673</b>	
<b>4 - REVERSALS OF PROVISIONS AND DEPRECIATION</b>	<b>1.839.737</b>	
<b>5 - USES OF PREVIOUS DEDICATED FUNDS</b>	<b>504.752</b>	504.752
<b>TOTAL</b>	<b>235.803.814</b>	<b>55.222.235</b>
<b>EXPENSES BY DESTINATION</b>		
<b>1 - SOCIAL MISSIONS</b>	<b>191.430.401</b>	<b>31.250.727</b>
1.1 Carried out at national level	8.280.152	5.859.359
- Actions carried out by the organization	8.280.152	5.859.359
- Payments to a central body or to other bodies operating in France	-	-
1.2 Carried out abroad	183.150.250	25.391.368
- Actions carried out by the organization	183.150.250	25.391.368
- Payments to a central body or to other bodies operating abroad		
<b>2 - FUNDRAISING COSTS</b>	<b>19.794.592</b>	<b>16.344.056</b>
2.1 Costs of appealing to the public	16.252.104	16.144.912
2.2 Costs of finding other resources	3.542.488	199.144
<b>3 - ADMINISTRATIVE COSTS</b>	<b>13.111.632</b>	-
<b>4 - PROVISIONS AND DEPRECIATION</b>	<b>4.569.524</b>	
<b>5 - INCOME TAX</b>		
<b>6 - CARRY-OVER OF FUNDS FOR THE YEAR</b>	<b>831.466</b>	<b>831.466</b>
<b>TOTAL</b>	<b>229.737.616</b>	<b>48.426.249</b>
<b>SURPLUS OR DEFICIT</b>	<b>6.066.199</b>	<b>6.795.986</b>

<b>PRODUCTS BY ORIGIN</b>		
<b>1 - VOLUNTARY CONTRIBUTIONS FROM THE PUBLIC</b>	<b>6.847.578</b>	<b>6.847.578</b>
Volunteering	171.275	171.275
Benefits in kind	6.518.530	6.518.530
Donations in kind	157.774	157.774
<b>2 - VOLUNTARY CONTRIBUTIONS NOT LINKED TO PUBLIC GENEROSITY</b>	-	
<b>3 - PUBLIC ASSISTANCE IN KIND</b>	-	
<b>TOTAL</b>	<b>6.847.578</b>	<b>6.847.578</b>
<b>EXPENSES BY DESTINATION</b>		
<b>1 - VOLUNTARY CONTRIBUTIONS TO SOCIAL MISSIONS</b>	<b>1.211.518</b>	<b>1.211.518</b>
Carried out at national level	911.338	911.338
Carried out abroad	300.180	300.180
<b>2 - VOLUNTARY CONTRIBUTIONS TO FUNDRAISING</b>	<b>2.182.282</b>	<b>2.182.282</b>
<b>3 - VOLUNTARY CONTRIBUTIONS TO THE ADMIN. COSTS</b>	<b>3.453.778</b>	<b>3.453.778</b>
<b>TOTAL</b>	<b>6.847.578</b>	<b>6.847.578</b>

## 10.2. TABLE CER - ANNUAL ACCOUNT OF RESOURCES COLLECTED FROM THE PUBLIC

USES OF FUNDS BY DESTINATION	YEAR 2020	RESOURCES BY ORIGIN	YEAR 2020
<b>USES FOR THE YEAR</b>		<b>RESOURCES FOR THE YEAR</b>	
<b>1 - SOCIAL MISSIONS</b>	<b>31.250.727</b>	<b>1 - RESOURCES FROM THE PUBLIC'S GENEROSITY</b>	<b>54.717.483</b>
1.1 Carried out at national level	5.859.359	1.1 Contributions without counterparts	-
- Actions carried out by the organization	5.859.359	1.2 Donations, legacies and sponsorship	53.833.773
- Payments to a central body or to other bodies operating in France	-	- Manual donations	47.478.653
1.2 Carried out abroad	25.391.368	- Legacies, gifts and life insurance	5.498.617
- Actions carried out by the organization	25.391.368	- Sponsorship	856.503
- Payments to a central body or to other bodies operating abroad	-	1.3 Other resources from public generosity	883.711
<b>2 - FUNDRAISING COSTS</b>	<b>16.344.056</b>		
2.1 Costs of appealing to the public	16.144.912		
2.2 Costs of finding other resources	199.144		
<b>3 - ADMINISTRATIVE COSTS</b>	<b>-</b>		
<b>TOTAL USES</b>	<b>47.594.783</b>	<b>TOTAL RESOURCES</b>	<b>54.717.483</b>
<b>4 - PROVISIONS AND DEPRECIATION</b>	<b>-</b>	<b>4 - REVERSALS OF PROVISIONS AND DEPRECIATION</b>	
<b>5 - DEFERRED FUNDS FROM THE YEAR</b>	<b>831.466</b>	<b>5 - USES OF PREVIOUS DEDICATED FUNDS</b>	<b>504.752</b>
<b>EXCIDENT OF THE GENEROSITY OF THE PUBLIC OF THE YEAR</b>	<b>6.795.986</b>	<b>DEFICIT OF THE PUBLIC'S GENEROSITY FOR THE YEAR</b>	
<b>TOTAL</b>	<b>55.222.235</b>	<b>TOTAL</b>	<b>55.222.235</b>

RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE BEGINNING OF THE YEAR (EXCLUDING DEDICATED FUNDS)	25.293.176
(+) surplus or (-) shortfall of public generosity	6.795.986
(+) net investments and (+) disinvestments related to the generosity of the public during the year	(116.554)
RESOURCES CARRIED OVER FROM PUBLIC GENEROSITY AT THE END OF THE YEAR (EXCLUDING DEDICATED FUNDS)	31.972.608

VOLUNTARY CONTRIBUTIONS IN KIND	YEAR 2020	VOLUNTARY CONTRIBUTIONS IN KIND	YEAR 2020
<b>USES FOR THE YEAR</b>		<b>RESOURCES FOR THE YEAR</b>	
<b>1 - VOLUNTARY CONTRIBUTIONS TO SOCIAL MISSIONS</b>	<b>1.211.518</b>	<b>1 - VOLUNTARY CONTRIBUTIONS FROM THE PUBLIC</b>	<b>6.847.578</b>
Made in France	911.338	Volunteering	171.275
Carried out abroad	300.180	Benefits in kind	6.518.530
<b>2 - VOLUNTARY CONTRIBUTIONS TO FUNDRAISING</b>	<b>2.182.282</b>	Donations in kind	157.774
<b>3 - VOLUNTARY CONTRIBUTIONS TO THE ADMIN. COSTS</b>	<b>3.453.778</b>		
<b>TOTAL</b>	<b>6.847.578</b>	<b>TOTAL</b>	<b>6.847.578</b>

### 10.3. TABLE CER 2019 - ANNUAL ACCOUNT OF RESOURCES COLLECTED FROM THE PUBLIC 2019

EMPLOYMENT IN EUROS	2019 JOBS = PROFIT AND LOSS ACCOUNT	ALLOCATION BY USE OF RESOURCES RAISED FROM THE PUBLIC USED ON A NATIONAL BASIS	RESOURCES IN THOUSANDS OF EUROS	RESOURCES COLLECTED IN 2019 = PROFIT AND LOSS ACCOUNT	MONITORING OF RESOURCES COLLECTED FROM THE PUBLIC AND USED ON THE INTERNET
			CARRY-OVER OF UNALLOCATED RESOURCES COLLECTED FROM THE PUBLIC AND NOT USED AT THE BEGINNING OF THE YEAR		8.871.594
<b>1- SOCIAL MISSIONS</b>	<b>180.292.680</b>	<b>31.340.424</b>	<b>1- RESOURCES COLLECTED FROM THE PUBLIC</b>	<b>52.868.433</b>	<b>52.868.433</b>
1.1. Carried out in France (Association headquarters)	9.244.535	4.794.573	1.1. Income from the public's generosity	52.000.372	52.000.372
			- Unrestricted manual donations	36.362.131	
			- Restricted manual donations	7.456.552	
			- Legaciess and other unrestricted gifts	8.175.001	
			- Legaciess and other restricted gifts	6.687	
1.2. Carried out abroad (Land)	171.048.146	26.545.851	1.2. Other products linked to the appeal to public generosity	868.061	868.061
<b>2- FUNDRAISING COSTS</b>	<b>19.913.970</b>	<b>16.201.110</b>			
2.1. Costs of appealing to the public's generosity	15.974.292				
2.2. Expenses related to the search for & grants and other public assistance,	3.939.678				
2.3. and other private funds					

EMPLOYMENT IN EUROS	2019 JOBS = PROFIT AND LOSS ACCOUNT	ALLOCATION BY USE OF RESOURCES RAISED FROM THE PUBLIC USED ON A NATIONAL BASIS	RESOURCES IN THOUSANDS OF EUROS	RESOURCES COLLECTED IN 2019 = PROFIT AND LOSS ACCOUNT	MONITORING OF RESOURCES COLLECTED FROM THE PUBLIC AND USED ON THE INTERNET
3- OPERATING COSTS	12.815.875	1.481.317	2- OTHER PRIVATE FUNDS	20.343.625	
			3- GRANTS & OTHER PUBLIC ASSISTANCE	140.444.317	
			4- OTHER PRODUCTS	3.148.146	
I- TOTAL USES OF THE YEAR IN THE PROFIT AND LOSS ACCOUNT	213.022.526	49.022.851	I- TOTAL RESOURCES FOR THE YEAR RECORDED IN THE PROFIT AND LOSS ACCOUNT	216.804.521	
II- ALLOCATIONS TO PROVISIONS	3.005.746		II- REVERSALS OF PROVISIONS	802.388	
III- COMMITMENTS TO BE MADE FROM DEDICATED RESOURCES	919.519		III- CARRY-OVER OF UNUSED RESTRICTED RESOURCES FROM PREVIOUS YEARS	387.061	
			IV- CHANGE IN DEDICATED FUNDS RAISED FROM THE PUBLIC (see table of dedicated funds)		(264.192)
IV- SURPLUS OF RESOURCES FOR THE YEAR	1.046.179		V- SHORTFALL IN RESOURCES FOR THE YEAR	-	
V - GRAND TOTAL	217.993.970		VI - GRAND TOTAL	217.993.970	61.475.835
V- Share of gross fixed asset acquisitions for the year financed by resources raised from the public		1.328.733			
VI- Neutralisation of depreciation of fixed assets financed from the first application of the regulation by resources collected from the public		(981.529)			
VII- Total jobs financed by resources raised from the public		49.370.055	VI- Total jobs financed by resources raised from the public		(49.370.055)
			BALANCE OF UNALLOCATED AND UNUSED RESOURCES RAISED FROM THE PUBLIC AT THE END OF THE YEAR		12.105.760

EVALUATION OF VOLUNTARY CONTRIBUTIONS IN KIND 2019					
EMPLOYMENT IN EUROS	2019 JOBS = PROFIT AND LOSS ACCOUNT	ALLOCATION BY USE OF RESOURCES RAISED FROM THE PUBLIC USED ON A NATIONAL BASIS	RESOURCES IN THOUSANDS OF EUROS	RESOURCES COLLECTED IN 2019 = PROFIT AND LOSS ACCOUNT	MONITORING OF RESOURCES COLLECTED FROM THE PUBLIC AND USED ON THE INTERNET
Social missions	5.763.534		Volunteering	103.259	
Fundraising costs	2.703.162		Benefits in kind	9.823.417	
Operating and other expenses	1.518.219		Donations in kind	58.239	
<b>TOTAL</b>	<b>9.984.915</b>		<b>TOTAL</b>	<b>9.984.916</b>	

## 10.4. RULES AND METHODS FOR THE PREPARATION OF THE PROFIT AND LOSS ACCOUNT BY ORIGIN AND DESTINATION (CROD) AND THE CER

### 10.4.1. Methods of developing the CROD (and REC)

**The Profit and loss account by Origin and Destination (CROD)** integrates all the uses and resources committed by the HI Network.

It complies with the accounting plan applicable to associations and foundations, which recommends the creation of a provision for expenses, up to the amount of resources dedicated to the programs and not used during the financial year. This provision thus materializes the association's obligation to use these funds in accordance with the commitments made to donors.

The annual Use of Resources Collected from the Public (CER) account, which is produced by the CROD, specifies the origin of the resources collected from the public and their use by the association during the financial year.

These tables have been drawn up in accordance with the regulations relating to the control of operations calling on public generosity (Decree No. 92-1011 of 17/9/92) and in compliance with the new regulation 2018-06, which sets out the accounting regulations applicable to the annual accounts of non-profit legal entities as from <sup>1</sup> January 2020.

The combined CROD and CER are established by the French federal entity, based on the analytical data of each network entity. When the accounting methods of foreign National Associations differ from the French standard, adjustments are made in order to ensure overall consistency. This is the case, in particular, for dedicated funds managed by the Belgian national association.

Although this regulation only concerns French associations, the federal network has decided to apply it to the combined accounts drawn up under the responsibility of the HI Federation. Indeed, Handicap International's combined accounts are published in France and communicated to the French association's donors.

The year N-1 has not been restated according to the rules applicable on <sup>1</sup> January 2020. For information, the 2019 CER is presented in section 10.3.

### 10.4.2. Update of the CROD establishment rules

Handicap International's Board of Directors decided on the changes in the presentation and evaluation methods of the CROD and CER 2020 at its meeting on 18/05/2021. The changes are the consequence of the implementation of the ANC 2018-06 reform. The rules for allocating overheads have also been adjusted.

## 10.5. CONTENT OF THE JOBS HEADINGS

### 10.5.1. Direct cost allocation

The amount of each of the headings making up the CROD is made up of the costs that can be directly assigned to them in the cost accounting system, when the operations are recorded in the general accounting system.

- To this end, the association's cost accounting system makes it possible to allocate all operations to a budget heading (or cost centre), both expenses and income. The nomenclature used thus makes it possible to identify the various activities implemented by the association, in particular the programs in the field and their projects.
- The attachment of all expenditure to a funding line, allowing the traceability of the use of funds granted by institutional donors, as well as any other resources allocated to the various activities.

### 10.5.2. Allocation of personnel costs

Each heading also includes the staff remuneration costs (HR costs) corresponding to each activity: employees at the headquarters of each network entity, expatriates (employees and volunteers) and finally, national staff recruited in the various countries of intervention.

The basis of allocation, as far as headquarters staff are concerned, is the time dedicated to each activity, in line with their job descriptions. The allocation keys thus determined are applied to the cost of salaries, including the related social charges, in connection with the establishment of the payroll.

As for expatriate staff (employees and volunteers), they are allocated to each programme on the basis of the time spent in the field by applying an average cost per month of presence on each programme, in line with the management of expatriation contracts.

### 10.5.3. Breakdown of overheads

These costs are made up solely of all external expenses of a general nature incurred by the entities of the HI network and linked to the occupation of the buildings, telecommunications costs, IT costs, and supplies and consumables. These costs also include personnel costs.

Due to their nature, these costs cannot be charged directly to each activity. This is why all these costs are divided between the different activities (social missions, fundraising and general operations), in proportion to the time spent by the staff on the different activities.

Total overheads of €3.42m are broken down as follows

- 1.44M (or 42%) on steering and support services for actions on the ground.
- 0.02M (or 1%) on the HI Institute.
- 0.37M (or 11%) on development education, the International Campaign against Landmines and Cluster Bombs, advocacy to reduce the impact of explosive weapons on civilians (EWIPA), awareness-raising and mobilization for the rights and integration of people with disabilities

- 0.72M (or 21%) on fundraising activities.
- 0.87M (or 26%) on operating costs.

#### 10.5.4. Social missions

**The volume of social missions amounts to €191.43 million, divided between social missions abroad and those carried out at national level.**

**The jobs of the social missions abroad, i.e. €183.15M, are made up of :**

- 167.04M of direct expenditure committed on the ground in the implementation
- 13.19M of mission management costs
- 2.92M of other costs and exceptional expenses related to the programs

The management costs of missions abroad concern :

- The management of operations, the monitoring of missions, which totalled €4.42M
- The recruitment of expatriate staff, their social management, as well as the costs of initial and ongoing training, for €1.92M
- Technical resources and coordination and support services (accounting, management control, logistics) for a total of €6.85M

Exceptional costs and expenses relating to actions abroad, which totalled €2.92 million, consisted mainly of :

- 1.67 million in foreign exchange losses, due to fluctuations in the foreign exchange market and the devaluation of national currencies. These exchange losses were partially offset by exchange gains (+803K€). The net impact is therefore -862K€. HI is naturally exposed to exchange rate effects due to the structure of its resources (institutional financing in foreign currencies) and its expenses (58 currencies used in the implementation of missions abroad).
- 474K of expenditure incurred in the context of the closure of projects ;
- 427K of funding loss from previous years.

**The social missions carried out at national level (HI Federation headquarters and HI network National Associations), which total €8.28M, include**

- The Hizy Platform, resulting from the digitalisation of the magazine "Déclic, familles et handicaps" until the end of the project in June 2020
- The International Campaign to Ban Landmines and Cluster Munitions (Cluster Munitions),
- Advocacy to reduce the impact of explosive weapons on civilians (EWIPA),
- The HI network's awareness-raising and mobilisation actions for the rights and integration of people with disabilities,

- The HI Institute, in charge of ethical issues, positioning and experience sharing, and finally, study and development projects for new actions, and capitalisation of know-how.

Indeed, the costs incurred in development education actions, in accordance with the association's purpose and the definition of the HI network's social mission, are classified under "Social missions". This is the case, in particular, for costs incurred by the association in mobilising the general public, in the context of the campaign against the manufacture and use of anti-personnel mines and the EWIPA campaign. Advocacy against landmines and other explosive weapons is one of the association's social missions, forming an integral part of its identity and its daily struggle.

Thus, €2.5m of the costs incurred by the Association Nationale France in the context of the appeal for donations, but relating to public awareness and lobbying activities carried out within the International Campaign to Ban Landmines and Cluster Bombs (ICBL) and the EWIPA campaign to reduce the impact of explosive weapons on civilian populations, are charged to this heading for 2020.

The total costs incurred by the HI network for these campaigns, i.e. €3.86M, are financed by public and private funds, up to €0.79M.

In addition, €0.3M of costs incurred in raising awareness and mobilising the general public, through various communication actions such as newspapers and exhibitions, are linked to awareness and mobilisation for the integration of people with disabilities. The total cost of development education and awareness-raising for the integration of people with disabilities is €431K.

**The total volume of social missions implemented in 2020 is divided into the following themes**

Thematic	Volume (K€)
Health Services	36.432
Armed violence reduction	13.624
Other protection and risk reduction activities	11.294
Rehabilitation Services	37.197
Inclusive education	19.135
Economic integration	40.310
Other inclusive services	21.201
Logistics platforms	6.702
Advocacy & mobilisation of the general public	5.535
<b>Total</b>	<b>191.430</b>

Each project in the field was thematically associated. Then the fixed and coordination costs of the programs, as well as the exceptional costs not directly attributable to a project, were broken down in proportion to the volumes of projects carried out by the programs. This allocation key was also used for programs steering costs.

The projects carrying the volume of social missions carried out at national level have been associated with one of these themes.

#### 10.5.5. Fundraising costs

The total costs incurred in the appeal for public generosity amount to €16.25M. Of this total, €13.27 million corresponds to the costs of collecting donations, legacies and corporate sponsorship, of which €11.97 million relate to the direct costs of collection operations (mainly direct mail, internet and couponing), €1.30 million to donor management costs (collection of donations and sending of tax receipts) and €2.98 million to other collection costs.

1.86M are incurred in the costs of obtaining and managing institutional funding contracts, both from public sources and from foundations and corporate sponsorship. This management is carried out by the same department in each of the entities of the HI network, so it is not possible to dissociate this cost.

Lastly, this heading includes the costs incurred by the Association Nationale France for the sale of solidarity products, i.e. €1.66 million (including €203.000 in corporate tax relating to this activity).

#### 10.5.6. Operating costs

They are made up of the general services of each HI network entity, such as information system management, accounting, treasury, reception, management of head office staff and management of premises and equipment. Their cost amounts to €10.25M. These costs also include the costs of the Directorate General and the legislative bodies.

This heading also includes public information costs totalling €2.31 million.

### 10.6. THE RESOURCES

The total resources of the HI network, before reversal of provisions and dedicated funds carried forward, amount to €233.46M.

#### 10.6.1. Resources collected from the public

The total resources collected from the public in 2020 amount to €54.72M and are broken down as follows

- 53.84M in donations, sponsorships, patronage and legacies collected by the HI network,
- 0.88M of other appeals to the public's generosity.

#### 10.6.2. Income not related to the public's generosity

The total of this heading, i.e. €16.75M, includes €2M of financial contributions without counterpart, corresponding to the "Horizon" prizes received by the association, and €14.75M corresponding to other income not linked to the generosity of the public. The total of other income not linked to public generosity includes €6.96M from other foreign and national private organizations, €3.02M from the proceeds of solidarity sales or shared products, €2.13M from other private income, €1.46M from financial income and €1.18M from other management income.

### 10.6.3. Grants and other public assistance

The total of public aid allocated as income amounts to €161.99M and is mainly composed of :

- 57.43M from international bodies, notably the European Union and the United Nations,
- 104.54M from government grants.

### 10.6.4. The "administrative package" granted by institutional donors

Institutional donors, both public and private, provide a flat-rate contribution to finance the association's operating costs. To these costs may be added those relating to steering and support services, when these costs are not eligible as direct expenditure for the implementation of actions. This contribution amounts to €12.54M for the entire HI network.

This lump sum finances part of the fundraising costs (€0.63M) and operating costs, which total €12.55M.

## 10.7. MONITORING OF RESOURCES COLLECTED FROM THE PUBLIC

The CROD clearly shows the leverage effect of funds from public generosity on obtaining funding from institutional donors. It is the balanced combination of these two resources that enables HI to finance its programs throughout the world, preserve its independence and perpetuate its action.

### 10.7.1. Calculation of the initial carry-over of resources collected from the public

The initial carry-over of resources collected from the public has been re-evaluated in order to better reflect HI's economic model. Indeed, HI has historically built up almost all of its associative reserves from resources collected from the public. These reserves have enabled the HI network to consolidate its financial structure and carry out its operational missions, in particular by financing actions throughout the year while waiting for the payment of funds from donors.

The year ended 31/12/2019 showed a balance of €12.11M. It has been revalued as at 1 January 2020 to €25.29M.

### 10.7.2. The use of resources from the general public

The resources collected from the public by the HI network in 2020 amount to €54.72M.

This amount, added to the initial balance (i.e. €80.01M) and the change in dedicated funds (€-0.33M), constitutes the total resources from the public, available to finance the uses of the exercise, i.e. €79.68M.

The use of these resources, for each of the CER headings, is calculated as the difference between total uses and other assigned resources (excluding resources from the public), on the basis of the analytical accounts. The total amount used is thus €47.71M.

On 31 December 2020, the final balance of resources collected from the public and not used, amounts to 31.97M.

### **10.7.3. Fundraising as a lever to obtain institutional funding from donors**

These two sources are indeed interdependent, as donors usually only grant funding to associations that demonstrate their capacity to co-finance a significant part of the projects concerned. The financial strength of an association is therefore a guarantee of credibility, seriousness and viability. At the end of 2020, HI's own funds amounted to €38.38M, including €31.97M of unused funds. In addition to the necessary credibility, they constitute a financial security to face the variations of resources and thus allowing to preserve the social missions. Finally, they allow the programs in the field to be advanced the cash needed to implement actions while waiting for payments from donors.

Each euro collected from the public gives the association more weight and argument to solicit and obtain funds. For each euro invested in the collection, the HI network obtains €3.37 net thanks to the generosity of the donors.

In this way, each euro collected from the public gives the association more weight and arguments to solicit and obtain funds, and thus acts as a lever.

### **10.8. VALUATION OF CONTRIBUTIONS IN KIND AND FREE GIFTS**

The value of in-kind and volunteer contributions received by the association in 2020 is included at the foot of the profit and loss account in the general accounts and the Use of Resources Account.

Total valuations for 2020 amount to €6.85M compared to €9.98M in 2019.

2.18 million of these costs are for fundraising, mainly media campaigns for the sale of shared products, as well as poster sites for the annual campaign, €1.21 million for social missions and the remaining €3.45 million for operating costs.

## 11.DETAILS OF DONOR FUNDING

FUNDER / DONOR	EURO ALLOCATION / EURO ALLOCATION
<b>TOTAL FONDS INSTITUTIONNELS PUBLICS ET PRIVÉS / TOTAL PUBLIC AND PRIVATE FUNDS</b>	<b>168.119.886</b>
<b>Fonds publics internationaux / International public funds</b>	<b>56.850.594</b>
<ul style="list-style-type: none"> <li>• <b>Commission Européenne / European Commission</b></li> </ul>	<b>35.644.045</b>
Commission Européenne / European Commission - ECHO	18.237.930
European Commission / Commission Européenne - EUROPEAID/ DEV CO	9.385.229
Commission Européenne / European Commission - Trust Funds	8.020.886
<ul style="list-style-type: none"> <li>• <b>Nations Unies / United Nations</b></li> </ul>	<b>19.260.210</b>
United Nations / Nations Unies - UNHCR	4.349.393
Nations Unies / United Nations - OCHA (Humanitarian Affairs)	3.076.188
United Nations / Nations Unies - UNICEF	3.317.698
United Nations - World Health Org.	3.674.732
United Nations / Nations Unies - UNDP	1.963.343
Nations Unies / United Nations - Mine Action	679.953
United Nations - World Food Programme	1.029.627
Nations Unies / United Nations - Autres / Other	1.169.276
<ul style="list-style-type: none"> <li>• <b>Autres agences internationales / Other international agencies</b></li> </ul>	<b>1.946.339</b>
<b>Fonds publics nationaux / public national funds</b>	<b>104.473.330</b>
<ul style="list-style-type: none"> <li>• <b>Public funds NA nationality</b></li> </ul>	<b>95.099.960</b>
Fonds publics Allemagne / Public funds Germany	10.515.891
Fonds publics Belgique / Public funds Belgium	6.924.807
Fonds publics Canada / Public funds Canada	5.928.258
Fonds publics France / Public funds France	16.431.649
Fonds publics Luxembourg / Public funds Luxembourg	5.528.885
Fonds publics Royaume-Uni / Public funds UK	17.274.391
Fonds publics Suisse / Public funds Switzerland	2.171.218
Fonds publics USA / Public funds USA	30.324.861
<ul style="list-style-type: none"> <li>• <b>Fonds publics hors nationalité AN / Public funds other nationality</b></li> </ul>	<b>9.373.370</b>
Fonds publics Australie / Public funds Australia	2.064.521
Fonds publics Danemark / Public funds Denmark	520.338
Fonds publics Norvège / Public funds Norway	3.765.212
Fonds publics Suède / Public funds Sweden	2.060.643
Autres fonds publics / Other public funds	962.656
<b>Fonds Privés / Private funds</b>	<b>6.795.941</b>
<ul style="list-style-type: none"> <li>• <b>Fonds Privés nationalité AN / Private funds NA nationality</b></li> </ul>	<b>3.980.303</b>
Fonds Privés Allemagne / Private funds Germany	1.335.848
Fonds Privés Belgique / Private funds Belgium	186.286
Fonds Privés Canada / Private funds Canada	132.838
Fonds Privés France / Private funds France	869.167
Fonds Privés Royaume-Uni / Private funds U.K.	198.148
Fonds Privés Suisse / Private funds Switzerland	894.456
Private funds USA / Fonds privés USA	363.560
<ul style="list-style-type: none"> <li>• <b>Fonds Privés autres nationalités / Private funds other nationalities</b></li> </ul>	<b>2.815.638</b>